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General

Shanghai Joint Venture Receives Arab Bank Loan

OW1302130990 Beijing XINHUA in English
1046 GMT 13 Feb 90

[Text] Shanghai, February 13 (XINHUA)—The Shanghai Yi Chang Steel Strip Co. Ltd, a Sino-British joint venture, has just signed an agreement on borrowing 10 million U.S. dollars from the Arab Bank.

This is the first foreign loan to a foreign-funded firm in Shanghai this year.

The Shanghai branch of the Communications Bank of China will provide the guarantee for the five-year loan.

The company was founded in August 1989 with a total investment of 30 million U.S. dollars and is scheduled to go into operation next year.

The firm plans to use the loan to import some of the equipment needed for the production of cold-rolled steel sheets, tinplate and other steel products.

Beijing Asian Games Village To Stage Rehearsal

OW1102002990 Beijing XINHUA in English
1514 GMT 10 Feb 90

[Text] Beijing, February 10 (XINHUA)—The Beijing Asian Games Village will soon invite former Asiad athletes and coaches of China to help stage a dress rehearsal of the village.

Jiao Ruoyu, former Beijing mayor and now Asiad Village chief, said that the planned rehearsal is expected to tune up and check the services of the village that will accommodate up to 6,000 people during the 11th Asian Games to be held from September 22 to October 5 this year.

Vice-Village Chief Huo Jinglin said that the facilities will be ready by May and start receiving Asiad athletes and coaches on September 8.

Inner Mongolia Expands Foreign Trade

SK3101035190 Hohhot NEIMENGGU RIBAO
in Chinese 3 Jan 90 p 1

[Excerpts] In recent years, pertinent departments in the Inner Mongolia Regional Autonomous Region have established trade contacts with more than 40 countries and regions in the fields of industry, agriculture, communications, water conservancy, power supply, construction, culture and education, public health, commerce, and service business. As a result, the region's economic development has been boosted. In the meantime, a good trend of rapid progress has emerged in the region's contracting of projects abroad and the labor service cooperation business, which have been major forms of the region's economic and technological cooperation with foreign countries. The ranks of laborers

serving the contracted projects abroad, which are led by China's Inner Mongolia International Economic and Technological Cooperation Company, and are supported by the region's large construction, agriculture, and forestry enterprises, have been formed rapidly, and are developing towards the orientation of specialization with good organization, leadership, and network.

In 1989, China's Inner Mongolia International Economic and Technological Company made great efforts to expand its business, proceeding from harmonizing the relations among various fields, strengthening the basic work, and simultaneously grasping professional and political affairs, and in line with the guiding ideology of "searching for larger labor service markets in the Soviet Union and Mongolia and promoting the overall progress in all trades." In the first 10 months of 1989, this company signed 22 contracts with the Soviet Union and Mongolia on various projects and labor service cooperation, involving a total contracted volume of 108,647,800 Swiss francs, and 3,283 exported laborers. In addition, this company signed 19 contracts on compensatory trade and spot exchange import, valued at \$10.088 million, with Italy, West Germany, Japan, and Hong Kong; and executed \$6 million of loans provided by the World Bank. [passage omitted]

Over the past few years, following the managerial principles "honoring agreements, ensuring quality, seeking small profits, and stressing righteousness," this company has already signed 92 contracts with foreign countries on utilization of foreign capital and importation of technologies, with the total contracted volume reaching \$87.073 million. Of this, the value of contracts concerning importation of equipment in the form of leasing has amounted to \$12.09 million. This company has imported more than 100 sets of advanced equipment and production lines for some 50 plants, mines, and enterprises; and has provided foreign economic data for more than 100 units in the region.

In 1989, in line with the situation at home and abroad, this company seized the opportune moment to conduct contracting of projects and labor service in Chita and Khabarovsk of the Soviet Union. After getting a firm foothold there, this company gradually expanded business to other areas of the Soviet Union and Mongolia. Under the coordination of leading departments at the higher level, this company organized the technical forces of Hohhot and Baotou cities as well as the three leagues in the east part of the region to expand business in the Soviet Union, thus making the number of projects under construction in the Soviet Union grow from 3 at the beginning of the year to 22 at the end of the year. The projects on labor service discussed with Mongolia have begun entering the stage of honoring agreements. Recently, this company has again held talks with the Soviet Union on initiating 31 new projects, and held talks with Mongolia on initiating 25 new projects. The pre-phase preparations for these new projects are under way.

United States & Canada

Article Views Social Security Tax Dispute

HK1402010990 Beijing RENMIN RIBAO in Chinese
27 Jan 90 p 3

[Article by staff reporter Zhang Qixin (1728 0796 2500): "Dispute Over Taxation Caused by Senator Moynihan"; dispatch by RENMIN RIBAO from Washington on 22 January]

[Text] The influence of tax dispute recently sparked by American Senator Patrick Moynihan has extended to the American community as a whole. On New Year's eve, this New York Democrat made a proposal, favoring a reduction in the Social Security tax rate from the current 7.65 percent in the total pay roll to 6.55 percent in the coming 2 years beginning this year. He went on to declare he would offer a corresponding bill in Congress. Like a rock causing waves upon waves, the Moynihan proposal evoked tremendous repercussions in the United States. The general public applauded it and many senators echoed but it was also opposed by not a few people, among them senior government officials were particularly bitterly opposed to it. President George Bush bluntly criticized the senator's proposal as just leading nowhere but to "hiking other taxes" or "lowering retirement benefits." White House Budget Director Richard Darman likened the Moynihan proposal to a grenade thrown to the Senate and the House of Representatives.

Social Security taxes are a big item in the federal financial revenues. The taxes amount to several hundreds of thousands of dollars a year and there is still a huge amount of cash surplus after being used to finance retirement pay for the aged and their medical security expenses. In 1989 the balance reached as high as \$52 billion. This was because in the last few years, the Social Security taxes collected by the U.S. Government from employees were increased by a wide margin. Now if the Moynihan proposal is put into effect, wage earners will pay fewer taxes next year. Undoubtedly this will help the low- and moderate-income employees maintain their real incomes. Hence, the proposal won their support.

However, Moynihan's advocacy clashed seriously with the government, because his main goal was a counter to the current federal budget policy. The focus of contention between the two sides is that the government wants to use the huge Social Security cash surplus to make up for the budget deficit so as to reduce the amount of debts owed to the community. According to the statistics provided by the Congressional Budget Office, in fiscal 1989, the U.S. financial deficit was \$152 billion. Without the Social Security cash surplus totaling \$52 billion in the same year being used to offset some portion of the deficit, the real deficit might have reached \$204 billion. Nevertheless, Moynihan maintains: It is better to reduce the amount of cash surplus, expose the true face of the deficit, and let the government genuinely seek a

solution to the deficit problem rather than letting the government use the Social Security cash surplus unchallenged to fill in the gap of deficits.

The gargantuan financial deficit was a big difficult problem for the United States in the 1980's. Congress adopted the Gramm-Rudman budget law for this purpose, calling for a reduction in the budget deficit year after year. According to the stipulations, the ceilings of deficit in fiscal 1990 and 1991 should be \$100 billion and \$60 billion separately. Originally the government and Congress would undergo a heated debate every year on the matter of the budget deficit not exceeding its limits. The sudden raising of the Moynihan proposal helped make the complicated budget problem more complicated. Without the huge surplus of Social Security taxes, it is very difficult to reduce the budget deficit to a required limit. This being the case, the debate on the budget in Congress will become more acute this year. The government energetically negated Moynihan's proposal because the proposal would put the government in a difficult position and compel the government either to hike taxes in other fields of endeavor or to more deeply cut defense spending. However, the present government is unwilling to do all these things.

The Moynihan proposal will also add more unexpected trouble to the plan Bush worked out to cut the capital-gains tax. Since Bush assumed office, he has always persisted in the plan for cutting the capital-gains tax in an attempt to encourage investment, spur the economy, and open up more financial avenues. However, critics contended that the plan could not unnecessarily produce the desired results but on the contrary, would be beneficial to the rich. This was why Bush's plan was not adopted when it was debated in Congress last year. Bush's plan was once again pounded by the Moynihan proposal, because the two were both tax-cutting propositions, with each having its own reasoning. As such, it will be more difficult to implement the Bush plan.

Nevertheless, U.S. politics is complicated. Although the Moynihan proposal, causing a hubbub for a while, helped people see the unfairness in U.S. taxation and the fact that the Social Security surplus has concealed the scale of government deficit, newspapers here pointed out: Either Democrats or most moderate Republicans all agree that the United States cannot afford to withstand any forms of tax cuts. Apparently, when Moynihan's proposal is debated in Congress, it will not fare too well.

Northeast Asia

ROK To Open Direct Transport Links

OW1302033790 Taipei CNA in English 0256 GMT
13 Feb 90

[Text] Taipei, Feb. 13 (CNA)—South Korea will open direct transportation links with Communist China in April mainly to facilitate travel to and from Peking for

this fall's Asian Games, the ROC envoy to South Korea commented in Taipei Monday.

Ambassador Tsou Chien reported that Peking would soon open a resident office in Seoul to handle civilian affairs.

Tsou, having returned here from Seoul to attend a meeting of ROC foreign mission chiefs, pointed out that it was an old story that South Korea and Communist China had been flirting with each other.

Seoul has been seeking rapprochement with Peking as well as Moscow in a bid to cope with a possible military attack from North Korea, the ambassador said.

South Korea has been aggressively pushing its "northern policy," but Tsou said his contacts with South Korea's Foreign Ministry had convinced him that Seoul-Peking relations had not yet reached the political or diplomatic level.

South Korea's "Nordpolitik" has not achieved as much as Seoul officials had expected probably because Communist China has still maintained close relations with North Korea, Tsou said.

Even though Seoul no longer emphasizes "anti-communism as national policy," its anti-communist position should remain unchanged, he noted.

ROK Stresses Lack of Communication

OW1002051590 Taipei CNA in English 0248 GMT
10 Feb 90

[Text] Taipei, Feb. 10 (CNA)—Korean National Assembly Speaker Kim Chae-sun said Friday that Korea was not considering establishing relations with the Communist Chinese at this moment because of their close ties with North Korea.

Members of Kim's entourage pointed out that South Korean and Communist Chinese officials had not exchanged visits except for those concerning Korea's participation in this fall's Peking Asian Games.

Breaking their silence on reports of growing contacts between Seoul and Peking, the Korean parliamentarians stressed their country's anti-communist stand in reply to questions from the local press.

At a Grand Hotel reception, Kim said the entire purpose of his visit here was to forward Korean President No Tae-u's personal regards to Republic of China President Li Teng-hui. "I have not passed any additional message," he stressed.

He explained that according to Korea's political system, the president cannot ask the National Assembly speaker to convey any message to the chief of state of another country, nor had his current mission been charged with such a task.

Kim said during his meeting with President Li, he found they shared the view that the democratic waves sweeping East Bloc countries will eventually reach Asia's North Korea and Communist China.

He and President Li also stressed the identical anti-communist position of the ROC and the ROK, Kim added.

ROC authorities have been concerned about growing contacts between its rival Peking regime and the only country in East Asia to have diplomatic links with the ROC.

Kim said that at this moment, Seoul was not considering the establishment of ties with Peking because of the latter's close relations with Pyongyang.

Still, he noted that as East Europe's Communist regimes have fallen one by one, it seemed clear that communism was perishing, so there was no more need to emphasize "anti-communism."

Kim will give a press conference Saturday at the Grand Hotel in downtown Taipei before departing for Thailand where he will continue his foreign visits. He is the highest ranking Korean official to visit the ROC in recent years.

Southeast Asia & Pacific

Indonesia Links Ties, Khmer Rouge Negotiation

BK1402131890 Hong Kong AFP in English
1305 GMT 14 Feb 90

[By Alain Boebion]

[Excerpts] Jakarta, Feb 14 (AFP)—Indonesia has offered China normalized relations in return for Beijing's assurance that the Khmer Rouge will attend an international conference on Cambodia here, a government spokesman said Wednesday.

Indonesian State Secretary Mardiono said that the message, sent by Indonesian President Suharto, was explicit: If the Khmer Rouge would come to Jakarta, then Indonesia's foreign minister would go to Beijing to normalize ties.

After weeks of diplomatic exchanges, Indonesia has apparently succeeded in getting all parties to the 11-year cambodian conflict, including the Marxist Khmer Rouge, to agree to attend informal talks here on February 26-28.

Nonetheless, it remained deeply concerned that the talks come off.

The message, sent Tuesday, had already been received in Beijing, sources said here Wednesday though Indonesian Foreign Minister Ali Alatas had yet to receive formal acceptance of their invitation to the talks from the Khmer Rouge. Meanwhile Jakarta had been putting

forth technical matters as the reason for the slowness in normalisation negotiations between China and Indonesia.

On Tuesday, the Khmer Rouge, the dominant faction in the tripartite guerrilla coalition opposing the Phnom Penh government, sent a letter to Prince Norodom Sihanouk stating its intention to take part in the Jakarta talks. [passage omitted]

Mr. Murdiono, quoted by the official ANTARA News Agency, said that Mr. Alatas would go to Beijing "to finalize" the negotiations. But he did not specify when the visit would take place, nor did he have any comment on the upcoming discussions.

Western diplomats said that a technical mission would go to China at the the end of February or early March to discuss some 90 million dollars in debts owed by Indonesia to China prior to 1967.

An Indonesian source said that an embassy would be opened in Beijing as soon as the debts, denominated in French francs and pound sterling and linked to gold, were settled.

The mission would have the highest status in the Indonesian diplomatic hierarchy and consist of 21 people, including nine diplomats, the source said.

A mission could be opened this year as monies were available in the 1990-91 budget, observers said. [passage omitted]

Mr. Alatas was unable Wednesday to confirm the Khmer Rouge's presence at the informal Jakarta talks, despite a statement to that effect issued Tuesday night in Bangkok by Khmer Rouge leader Khieu Samphan. [passage omitted]

Sub-Saharan Africa

XINHUA Analyzes Mandela's Release

OW1202134190 Beijing XINHUA in English
0754 GMT 12 Feb 90

["News Analysis: Mandela's Release Major Victory for South African People (by Chen Hegao)"]—XINHUA headline]

[Text] Nairobi, February 12 (XINHUA)—After his 27 prison years of sufferings, tears and faith in his cause, Nelson Mandela finally walked out of his prison outside Cape Town to freedom on Sunday afternoon.

The triumphant moment is the culmination of many years of struggle by black South Africans against apartheid. It is also a result of efforts by the international community to exert pressure and sanctions on the racist South African Government.

South African President F.W. de Klerk on February 2 announced the coming unconditional release of Mandela

and the lifting of a 30-year-old ban on the African National Congress (ANC), the South African Communist Party, and all the other black political organizations.

This move has been widely welcomed by the international community, African countries in particular. Yet it is only an initial step forward by the regime.

De Klerk, since assuming office last September, has made adjustments in his internal and external policies and loosened his predecessors' hard lines against blacks.

As a result, for the first time, major demonstrations by blacks have been allowed; public places in several cities have been opened to blacks; talks between the government and anti-apartheid black leaders have been held; and many political prisoners have been released.

Economic difficulties and social chaos are believed responsible for the changes. Social disorder and international sanctions have left the country's economy almost paralyzed.

To overcome the chaos and to maintain his rule as president, de Klerk has raised a call of "reform of the racist system and establishment of a new South Africa."

Still, it's a tactic rather than a fundamental change. In a television interview on February 4, the president said that these moves of reform were very risky but only by doing so could South Africa "prevent revolution (by the black people)."

He said, "We should draw a lesson from the former government of the old Rhodesia (now Zimbabwe) who had missed opportunities to open constructive dialogue with the blacks."

"They delayed it so long that the blacks finally overthrew them from power," he added. "We will not let it happen again."

South African black leaders and leaders of other countries share the belief that the problems of South Africa must be solved through the extinction of the racist system rather than the so-called "reform" of the system.

The South African people have a long way to go in their antiracism struggle. The state of emergency applied by the authorities remains effect [as received], along with a series of other acts serving as the foundation of the racist system; South African black people have not regained their essential rights.

So, the ANC leaders reiterated on the next day after de Klerk's announcement of lifting the ban on the ANC and the release of Mandela early this month that they will continue their armed struggle until the racist system is dismantled.

Under the new situation, the blacks' struggle is likely to become more complicated. The immediate task for

South Africa's different black parties might be to coordinate their approaches and eliminate their differences on talks with the regime.

Latin America & Caribbean

Antigua Reiterates Pursuit of One China Policy

OW1302135190 Beijing XINHUA in English
0836 GMT 13 Feb 90

[Text] St. John's, Antigua, February 12 (XINHUA)—Prime Minister of Antigua and Barbuda Vere C. Bird restated today that his government would continue to pursue one China policy.

"We hold that there is only one China in the world, that is the People's Republic of China," he said while receiving the visiting Chinese Vice-Foreign Minister Liu Huaifu.

Bird said China's development and strength relate to one fifth's of the world's population and strength, which in turn strengthens the self-respect and confidence of the developing countries.

Vice-Minister Liu arrived here on February 10 for a working visit. He held talks with L. Bird, deputy prime minister and minister of foreign affairs of Antigua and Barbuda, on furthering cooperation between the two countries and international issues of common interest.

Liu and L. Bird signed a letter of exchange on free economic aid presented by the Chinese Government to Antigua and Barbuda.

L. Bird said after signing the letter, he was confident that no matter whatever happens in the world, China would always be a reliable friend of Antigua and Barbuda.

During his stay here, Liu and Education Minister Reuben Harris signed hand-over certificates on school desks and chairs presented to Antigua by the Chinese Government.

Liu left Antigua tonight for a working visit to Barbados.

NPC Delegation Leaves for Mexico, Bolivia

OW1202115290 Beijing XINHUA in English
0653 GMT 12 Feb 90

[Text] Beijing, February 12 (XINHUA)—A delegation of the Chinese National People's Congress (NPC) led by Ngapoi Ngawang Jigme, vice-chairman of the NPC Standing Committee, left here on a goodwill visit to Mexico and Bolivia this morning.

The four-member delegation, which is on the visit at the invitation of the congresses of the two Latin American countries, was seen off at the airport by a number of Chinese officials as well as diplomats from the Mexican and Bolivian Embassies in Beijing.

Art Group Expresses Hope for Closer Cuban Ties

OW1002121490 Beijing XINHUA in English
0746 GMT 10 Feb 90

[Text] Havana, February 9 (XINHUA)—Chinese artists had meetings with Cuban musicians and painters on a visit which ended today with both groups expressing the hope for closer ties between them.

The delegation from the China Federation of Literature and Art was headed by its vice president, Tsedendolma. They arrived on the island on January 28, at the invitation of the National Union of Writers and Artists of Cuba (UNEAC).

During her stay here, Tsedendolma met with Abel Prieto, the president of UNEAC, Carlos Marti, the vice-minister of culture, and Giraldo Mazola, vice-minister of foreign relations.

The delegation visited the provinces of Santiago de Cuba and Matanzas and toured many historical sites. They left today for a visit to Mexico.

Political & Social**Nationalities Affairs Meeting Begins in Beijing****Meeting Preview**

HK1202074390 Hong Kong SOUTH CHINA
MORNING POST in English 12 Feb 90 p 6

[By Willy Wo-lap Lam]

[Text] Beijing is calling a high-level meeting to lay down policies to counter separatism and racial strife among the nation's major minority peoples.

Mr Wu Jinghua, vice-minister of the State Nationalities Affairs Commission, said the ministerial-level body would hold a national conference in the middle of the month to study urgent questions on minority nationalities.

Chinese sources say that meeting will be the largest of its kind in recent years, with senior specialists in nationalities work from central and regional levels and officials from departments such as state security, taking part.

Chinese analysts say Beijing is concerned about waves of separatism among minority races in the Soviet Union and East European countries such as Yugoslavia spreading to China.

Unconfirmed reports say anti-Han Chinese feelings among ethnic Tibetans and Uygurs in Tibet and Xinjiang autonomous regions have remained high despite measures taken by the central Government to step up security.

Mr Wu, one of China's most experienced cadres on work among minorities, admitted unstable factors had marred relations among the races.

"Separatist elements of various kinds are colluding with people both inside and outside China who are opposed to socialism and who insist on bourgeois-liberalisation," Mr Wu said.

"Maintaining stability in areas inhabited by minorities is the priority matter for this year."

In a dispatch, the China News Service noted that Beijing had committed itself to 10 tasks to defuse racial problems.

"The first task is to strengthen unity among the nationalities and to maintain stability in areas inhabited by minority races," the official news agency said without giving any more details.

Chinese sources in Beijing, however, said the central government had decided to commit more security forces—including soldiers and People's Armed Police—to such potential trouble-spots as Tibet, Xinjiang and Inner Mongolia.

However, measures will also be taken to mollify the minority peoples. For example, at a time of budget

squeeze, more funds will be available for infrastructure development in Tibet and Xinjiang.

A token number of cadres with minority origins will also be promoted to relatively senior government positions.

More important, areas with heavy concentrations of minority races will be granted more flexible economic and trading policies to help local people attract foreign investment.

Xinjiang is one such place. Last weekend, Beijing publicised nine new measures to facilitate economic exchanges between the northwestern autonomous region and the Soviet Union and Middle Eastern countries.

Xinjiang will receive more central government funds to set up commodity export bases and to boost infrastructural facilities such as airports and railways.

The local government has been given authority to establish trading offices in foreign countries except Hong Kong and those with which Beijing has no diplomatic relations.

Moreover, customs and trading regulations will be simplified to attract businessmen and investors into Xinjiang.

Minister Comments

OW1402061490 Beijing XINHUA Domestic Service
in Chinese 1321 GMT 13 Feb 90

[By reporters Zheng Qingdong (6774 1987 2639) and Ge Lai (2047 0171)]

[Text] Beijing, 13 Feb (XINHUA)—Ismail Amat, minister in charge of the State Nationalities Affairs Commission, pointed out here today that at present the most important duty of departments doing nationalities work is to ensure that the party's basic line is implemented in all practical work on nationalities affairs. It is imperative, he said, to unswervingly uphold the unification of the motherland and put into practice the policies of equality and solidarity of all nationalities, of regional autonomy of minority nationalities, and of the common prosperity of the various nationalities so as to further develop the cause of national unity and progress.

The annual national meeting of chairmen of nationalities affairs commissions began today in Beijing. More than 300 people are attending the meeting, including chairmen of nationalities affairs commissions of various provinces, autonomous regions, municipalities, and cities with independent economic decision-making authority, presidents of nationalities institutes, and responsible persons of the central departments concerned. Ismail Amat delivered a report at the meeting, entitled "Unswervingly Carry Out the Party's Policy on Nationalities Affairs and Continue To Promote the Nationalities Work."

In his speech, Ismail Amat reviewed the work over the past year. He said: The decade of the 1980's marked an era when great progress was made in China's cause of national unity and progress under the leadership of the party Central Committee and the State Council. The restoration and development of the party and state policy on nationalities affairs and the gradual solution of a number of problems left over from the past reinforced the flesh-and-blood ties between the party and the people of all nationalities. The trend of reform and opening to the outside world enabled minority-inhabited areas to break away from the closed state and petrified system, brought unprecedented liveliness and vitality to the local economy, and gave rise to the sustained growth of productive forces in society as well as the remarkable improvement of the material and cultural life of the masses in these areas. The new socialist relations among the various nationalities based on equality, unity, and mutual assistance became further consolidated and developed. The people of all nationalities further increased their faith in loving the party and the socialist motherland. The people of all nationalities in our country were worthy of being called people of the great 1980's.

Ismail Amat pointed out: The year 1989 has added a glorious chapter to the annals of national unity and progress. The collective leadership of our party's third generation has reaffirmed our party's and state's policy on nationalities, and helped carry on our nationalities work along the correct path. New achievements have been made in the economic and cultural fields, and the unity among all nationalities has become stronger than ever before. Particularly at a time when upheavals took place in some localities in the country and turmoil and counterrevolutionary riot broke out in Beijing, the people of all nationalities loved the Communist Party, firmly followed the socialist road, cherished unity, worked hard to develop construction, and made contributions to stabilizing society and the border region. He said: All these achievements show the correctness of the party's policy on nationalities. They reflect the effectiveness of our protracted efforts in doing our work on nationalities, particularly our work in this connection over the past decade. Facts have proven that the unity among the various nationalities of the Chinese nation, formed in the course of our long history, can withstand storms and that the road opened up by the proletarian revolutionaries of the older generation in tackling nationality issues in China remains correct and broad.

With regard to the nationalities work for this year, Ismail Amat said: The general requirements in carrying out the work on nationalities for 1990 are as follows:

—Unswervingly adhere to the basic line of "one focus and two basic points," firmly implement the party's policy on nationalities, earnestly follow the guidelines laid down by the Fifth Plenary Session of the 13th CPC Central Committee in close connection with the actual situation among the people of the various minorities and in areas inhabited by people of minority nationalities,

further improve the economic environment and rectify the economic order, and enable the economy in the minority areas to develop in a sustained, stable, and coordinated way;

—Vigorously develop socialist spiritual civilization in minority areas, score new achievements in the fields of education, culture, science, and technology, strive to help people of minority nationalities raise their standards in science and general education, do a still better job in implementing the Law on Regional National Autonomy, train and put more minority cadres to their best use, and consolidate and develop the regional national autonomy system;

—Extensively develop the Marxist outlook on nationalities and broaden education on the policy regarding nationalities, closely rely on the cadres and people of all nationalities, unite with the masses with widespread representation, oppose splittism and turmoil with a clear-cut stand, do a good job in handling contradictions among the people and relations among all nationalities, resolutely uphold the reunification of the motherland and the stability in areas in those areas inhabited by minority nationalities, continuously strengthen the great unity among people of all nationalities, and make new contributions to developing China's modernization program and to consolidating and developing the situation of stability and unity in China.

It was reported that during the meeting the State Nationalities Affairs Commission will deliver a report to the State Council on several issues on nationalities work, and hear important instructions from the State Council.

The meeting will last four days.

Nationalities Official on Dalai Lama Comments

OW1002154990 Beijing XINHUA in English
1506 GMT 10 Feb 88

[Text] Beijing, February 10 (XINHUA)—The threatening tone adopted by the Dalai Lama in references to talks on Tibet with the central government is completely senseless, a senior official of the state Nationalities Affairs Commission said here today.

Speaking at a news conference here, the official said a UPI report of January 18 quoted the Dalai Lama as saying that he would have to take a new stand on the status of Tibet if China did not begin "meaningful and sincere dialogue" within one year.

The official said: "No one but the Dalai Lama is responsible for delaying the dialogue."

He said the central government has always been willing to hold talks on any issues except Tibet's independence. At the request of the Dalai Lama, the central government has since 1979 received delegations and private representatives that he has sent many times.

The central government has said that it cannot accept the so-called "new proposals" made by the Dalai Lama in Strasbourg in France in June, 1988, let alone make them the basis of the dialogue, because the proposals were formed on the pretext that "Tibet used to be a country."

The official said the Dalai Lama's political stand that Tibet should contact the People's Republic of China as an autonomous democratic political entity is aimed at putting Tibet on the same level as China—as a sovereign state. That contradicts the fact that Tibet is part of China and that the Chinese Government has sacred sovereign rights over it.

The official said the Dalai Lama and his so-called "government-in-exile" claimed for propaganda purposes that they were willing to hold a dialogue with the central government. But they turned out to be capricious. At one moment they would say they had formed delegations and could start the talks at once; at another, they would say their cabinet was not ready and that they were in no haste to begin.

They also took steps to poison the atmosphere for dialogue. They plotted and stirred up riots in Tibet in their eagerness to organize separatist activities.

The official added: "We want to restate here that we are willing to hold dialogues with the Dalai Lama on any issues but the independence of Tibet. We hope that he and some of the people around him will try to create some real conditions for the talks and make some practical efforts for the unity of all China's nationalities and the prosperity of Tibet."

Li Peng, Jiang Zemin Encourage Family Planners

*HK1402064190 Beijing XINHUA Domestic Service
in Chinese 0355 GMT 14 Feb 90*

[Text] Beijing, 14 February (XINHUA)—On 13 February, Comrade Jiang Zemin and Comrade Li Peng sent a letter to the National Conference of Family Planning Commission Directors. The full text of the letter is as follows:

To all the comrades attending the National Conference of Family Planning Commission Directors:

Our country's family planning work achieved marked successes in 1989. It was no easy task to maintain our country's birth rate and natural population growth rate at a reasonable level in a peak population growth period. The achievements we have made with regard to family planning are certainly inseparable from the hard work done by the broad masses of the comrades engaged in family planning. On behalf of the CPC Central Committee and the State Council we would like to take this opportunity to extend our warm regards and heartfelt thanks to all of you and, through you, to all the comrades engaged in family planning across the country.

Family planning is one of China's basic national policies. In the early 1990's China will continue to face a population growth peak period. Therefore, the situation in this regard is rigorous. Should we fail to effectively control our country's population growth, our country's socialist modernization construction, the Chinese people's material and cultural livelihood, and China's natural resources and ecological environment will be adversely affected. In this sense, strictly controlling population growth is of great importance to the prosperity of our country and our nation and to the long-lasting well-being of future generations. All comrades should make unreserved efforts to explain this problem to mobilize the people in all walks of life to attach great importance to and support family planning.

Family planning has an important bearing on China's overall economic and social development. The CPC committees and people's governments at all levels must place family planning at the top of their agenda, practically strengthen leadership, and organize all departments and mass organizations concerned to make family planning a complete success. It is necessary to carry out population-quota management with a view to implementing to the letter all existing family planning policies at the grass-roots level. Efforts must also be made to put an end to the negligence in family planning in some rural areas of our country and actively combine supporting the poor with family planning to further promote China's economic development and slow down China's population growth. While strictly controlling population growth we must also make every possible endeavor to improve our population quality and further improve our family planning.

We hope that all comrades engaged in family planning across the country firmly cultivate the mentality of serving the people heart and soul, brace themselves, overcome difficulties, continuously raise their policy and professional standards, fully rely on the masses, and further improve our family planning work. [Signed] Jiang Zemin, Li Peng [Dated] 13 February 1990

Vice Premier Tian Jiyun Tours Guangdong

*OW1402105490 Beijing XINHUA in English
0855 GMT 14 Feb 90*

[Text] Guangzhou, February 14 (XINHUA)—Chinese Vice Premier Tian Jiyun expressed satisfaction with the economic progress of Guangdong Province, south China, after touring it between February 8 and 13.

He said the province should capitalize on the favorable experiences of 10 years of reform and opening to the outside world and continue to strengthen the positive role of rural industrial enterprises.

Tian toured the Shenzhen and Zhuhai Special Economic Zones, and the cities of Dongguan, Zhongshan, and Foshan, which are the most economically developed areas in Guangdong. He talked with grassroot cadres and overseas investors and visited workers' families.

Tian praised the Hong Kong businessmen and industrialists who have invested in the mainland for their patriotism and he encouraged them to expand their businesses in the mainland.

While visiting rural enterprises, he pointed out that they are playing an important role in China's national economy and their development will contribute to the country's stability. He said China cannot do away with rural industry.

Tian said he hoped that various departments, especially the financial ones, would enthusiastically support the development of rural industrial enterprises.

Tian Jiyun Sends Gift to Television's Yue-sai Kan
OW1402000890 Beijing XINHUA in English
0805 GMT 12 Feb 90

[Excerpt] New York, February 11 (XINHUA)—Yue-sai Kan, a famous Chinese-born American TV producer, known as "China's narcissus princess" and "ambassador of television", got married here this evening.

At a grand wedding ceremony and banquet held at the "Silver Palace" Chinese restaurant in Chinatown, Kan, in a gorgeous traditional Chinese dress, and her bridegroom James R. McManus received warm greetings from about 600 guests, including Ambassador Weng Fupei, Chinese consul general in New York, and Ambassador Li Luye, Chinese permanent representative to the United Nations.

Chinese Deputy Prime Minister Tian Jiyun sent two precious gifts to McManus and Yue-sai Kan to extend his warm congratulations on their marriage. [passage omitted]

Yang Shankun Writes Year Book Foreword
OW0302064190 Beijing XINHUA in English
0156 GMT 3 Feb 90

[Text] Hong Kong, February 3 (XINHUA)—China Year Book 1989/90 in English which gives coverage to a series of major events in China was published here recently.

The book comprises more than 500 pages covering China's major events in the fields of politics, economy, legislation, military affairs, foreign relations, science and technology, education, public health, culture and arts, sports, society and people's life, and religious affairs.

It also contains data and reports on the country's history, and people in the news as well as laws and regulations relating to foreign trade and overseas investment in China.

It carries many articles to acquaint readers with major events that occurred in China not only in 1988, but also in the first half of 1989.

President Yang Shangkun wrote a foreword for the ninth edition of the book. He said China will continue to open

to the world. So it should understand the world in a better way, and countries all over the world also need to know more about China.

The book was launched in 1981. It is compiled by the PRC Year Book Editorial Board in Beijing with materials made available by the data bank of the XINHUA NEWS AGENCY and published by the New China News Ltd in Hong Kong. It has been widely regarded as a most authoritative, comprehensive, and informative reference book on China by people both in China and abroad.

Article Views Chen Yun Illness

HK1302035390 Hong Kong CHING PAO in Chinese
No. 151, 10 Feb 90 pp 47-48

[Text]

Suffering From Rectum Cancer

According to a Reuter report in early December of last year, Chen Yun, senior statesman of the CPC and advocator of the planned economy, was suffering from blood cancer (leukemia), and was in a critical condition. He was in Beijing for medical treatment. TOKYO SHIMBUN also reported that Chen Yun was seriously ill.

Three score and ten is the age of man. Chen Yun, who was born in 1905, is now 85. It is not surprising at all that he is weak and is always falling ill. But what illness is he actually suffering from? Is it a fatal illness?

I have recently learned in Beijing that Chen Yun suffered from illness before "1 October" National Day last year. To show to the world that the highest leadership stratum of the CPC was stable after the deposal of the former general secretary of the CPC Zhao Ziyang, and that the political situation in China was also "stable," on the night of celebrating the 40th anniversary of the founding of the PRC, Chen Yun insisted on appearing on the Tiananmen rostrum to enthusiastically entertain guests from the Soviet Union. At that time, he already looked thin, pallid, and emaciated.

According to well-informed sources, Chen Yun is suffering from rectum cancer. He is now staying in the Union Hospital in Beijing. In those years, Zhou Enlai, who was suffering from cancer, also stayed at that hospital. The CPC authorities have organized a medical group responsible for curing Chen Yun's illness. Doctors of the medical groups revealed that Chen Yun had undergone two surgical operations, and that cancer cells had spread to his prostate. Therefore, the medical group has taken all possible measures to control the state of his sickness, and prevent deterioration.

Beijing residents have been indifferent to the news on the serious illness of Chen Yun. But in those years, many of them shed tears when they learned that Premier Zhou Enlai was seriously ill. The following conversation was heard in the intellectual circles. "I hear that Chen Yun is

seriously ill, and is now staying in a hospital. Do you know that?" "What illness? Ossified illness? Conservative illness, or leftist illness?"

Having a Liking for Two Persons

In all fairness, Chen Yun is a figure who has occupied a decisive position in the political arena of the CPC. As early as the 8th National Congress of the CPC held in September 1956, Chen Yun was already the No. 5 leader of the CPC. In his "16 June" speech to new members of the Political Bureau Standing Committee last year, Deng Xiaoping specifically mentioned the history of that period. Deng said: "At the 8th National Congress of the CPC, a standing committee consisting of Mao, Liu, Zhou, Zhu, Chen and Deng was established. Later, Lin Biao was included in it (Note: Lin Biao's name preceded Deng's). This leadership collective existed till the Great Cultural Revolution." It is obvious that Chen Yun's position in the party was always higher than Deng Xiaoping.

It was precisely because of this reason that after Deng Xiaoping was rehabilitated for the third time, and regarded as the supreme leader of the whole party, he cannot but respect Chen Yun's opinions in many aspects. For example, last year Deng Xiaoping had to solicit Chen Yun's opinion on whether troops must be used to quell student unrest, and whether the line of the 13th CPC National Congress must be changed after the fall of Zhao Ziyang. In particular, Deng Xiaoping has to make concessions to Chen with regard to personnel arrangements at the highest leadership stratum. At a meeting of provincial governors held in 1984 or 1985, Chen Yun seriously said: I recommend two persons for you: Hu Qiaomu and Deng Liqun. These two "authoritative theoreticians" swaggered around until the 13th CPC National Congress because of Chen's protection. Chen Yun would rather trust Hu Qiaomu and Deng Liqun than have confidence in Hu Yaobang and Zhao Ziyang. To frame Hu Yaobang, Deng Liqun concocted a case of Hu Yaobang opposing Chen Yun at the Central Party School. Chen Yun completely believed this, and accused Hu Yaobang in the face of Deng Xiaoping. On the night of 19 May last year, Zhao Ziyang refused to attend a meeting of party, government and military cadres which announced the enforcement of martial law in Beijing. Shortly after that, Chen Yun accused Zhao of making known the contradiction inside the party to the public, and of working for his own private gains, and so on. The "role" played by Chen Yun in these regards has greatly obstructed Deng Xiaoping's policy of reform and opening up. Deng Xiaoping was compelled to give up his "right and left hands" Hu and Zhao, although he once praised them as heroes of indomitable spirit in reform. This was closely connected with the obstruction of the conservative forces headed by Chen Yun. It is precisely because of this reason that Chen Yun is called the chief behind-the-scenes backer of the conservative force inside the CPC.

Economically Conservative

Chen Yun's greatest political capital lies in his contribution to the economy. He is a senior statesman of the CPC who rose to power and position through leading workers' campaign in Shanghai. During the Yanan period, he established his leading position in the economic field of the CPC through his achievements in launching the campaign of self-reliance and production for self-support. At the end of the 1940's, he was chairman of the Military Control Commission in Shenyang. He achieved the experience in taking over industrial cities for the CPC. After the CPC established its nationwide government, Chen Yun was always responsible for financial and economic work. He repeatedly saved the country from economic disasters through readjustment methods. Therefore, he was praised as "master of readjustment." Mao Zedong also called him "first-rate economic expert inside the party."

Precisely because of such "economic capital," Chen Yun, who once studied in the Soviet Union and has regarded the "Russians as his teacher," has fully believed that to pursue socialism, China must promote planned economy based on the Soviet pattern. This is what he calls "birdcage economy." According to his viewpoint, limited economic liberalization (small bird) is not allowed to fly over the big frame of socialist planned economy (birdcage). Chen Yun completely objects the policy of reform and opening up pursued by China over the past 10 years, and particularly the establishment of special economic zones, import of foreign capital, and the principle of the "state regulating and controlling market, while market guiding enterprises." Over the past 10 years since the establishment of the special economic zones, senior statesmen of the CPC such as Deng Xiaoping, Li Xiannian, Wang Zhen, Bo Yibo, Peng Zhen, Deng Yinchao, and so on visited Shenzhen SEZ, and other special economic zones successively. Chen Yun is the only leader who has never been to the special economic zone. He only mentioned that the special zones "must seriously sum up their experiences." What Chen Yun advocates is the line of "relying mainly on planned economy while making market regulations subsidiary." After the fall of Zhao Ziyang, "birdcage economy" has again become very popular. However, of late Deng Xiaoping has issued a warning: The report of the 13th CPC national congress was not written by Zhao Ziyang alone. I do not think that there is anything wrong with the "state regulating and controlling market while market guiding enterprises." Some terms in the report might be improper, and we must not repeat them. But the 13th CPC National Congress must not be criticized. Some people in Beijing maintain that Deng's remarks are veiled criticism of Chen Yun's "birdcage economy," and that they express his dissatisfaction over Li Peng's implementation of Chen Yun's economic line. They say: Chen Yun cherishes the outmoded and preserves the outworn. He is completely out of tune with the trends of the times. If he dies earlier than Deng Xiaoping, this will be beneficial to reform and opening up.

Unidentified Leader Stresses Careful Decisions

HK1402051790 Hong Kong WEN WEI PO in Chinese
14 Feb 90 p 3

["Special Dispatch": "Dwelling on Past Lessons, CPC Leader Stresses Doing What the Country is Capable of and Making Prudent Policy Decisions"]

[Text] Beijing, 13 Feb—This reporter learned from relevant departments that a CPC leader recently said that in the course of China's future economic construction, we must draw a lesson from the past, soberly understand our national conditions and strength, and prudently make policy decisions to ensure normal economic growth.

The leader pointed out that the important lesson drawn from China's economic development over the past 40 years is that we deviated from our national conditions, went beyond our national strength, and were overanxious for quick results, resulting in drastic fluctuations.

We always think of doing more for the people and improving the work of our own locality and this is understandable, he said. However, we should calmly take into account the objective possibilities rather than consider the needs merely in light of our own wishful thinking.

On drawing a lesson, the leader said: From the angle of leadership we should find out the cause of impatience for success from subjective understanding and ideological methods. To solve this problem we must uphold the ideological line of seeking truth from facts, understand our national conditions in an all-round way, and have a clear estimate of our national strength. We should vigorously forge ahead and also act according to our capability and prudently make policy decisions so that our subjective thinking conforms to objective reality.

Stone Group Statement Regarding Wan Runnan

HK1402023990 Beijing RENMIN RIBAO in Chinese
10 Feb 90 p 7

["Solemn statement" by Beijing Stone Enterprise Group"]

[Text]

1. Wan Runnan, former president of the Beijing Stone Enterprise Group, was placed on the wanted list by the PRC Public Security Ministry because he had participated in stirring up and organizing the political turmoil and counterrevolutionary rebellion in Beijing. Wan Runnan has now gone into exile. The board of directors of the Beijing Stone Group Company deprived Wan Runnan of his membership of the board of directors on 19 July 1989, and dismissed him from his post as chairman of the board of directors and president of the company. The Beijing Stone Group Company also decided on 19 July 1989 to expel Wan Runnan from the company. The Beijing Haidian District People's Government has passed a resolution discharging Wan

Runnan from public employment. The Beijing Municipal CPC Committee has expelled him from the party. The above decisions were made known to the public in RENMIN RIBAO, BEIJING RIBAO and other principal newspapers and journals of China on 11 August 1989. The Beijing Stone Group Company hereby again makes a solemn statement as follows: Since Wan Runnan is no longer a responsible member or staff member of the company and has no relations whatsoever with the company, he has no right to carry out any activities in the name of the company, and none of his statements and actions any longer represent the company.

2. After fleeing abroad, Wan Runnan joined and organized the reactionary organization "Front for Democracy in China," aimed at overthrowing the PRC under the leadership of the CPC, and still adheres to his reactionary stand. We condemn all his illegal activities and are waging a resolute struggle against him.

3. According to reports from foreign news agencies, Wan Runnan set up a so-called "Beijing Stone Group" in Paris, France. This is a serious illegal incident by which he illegally usurped our company's name, undermined our company's reputation, and infringed upon our company's rights and interests. Wan Runnan must immediately stop his illegal acts; otherwise, he must bear sole responsibility for all the serious consequences arising therefrom.

4. Our company's logo and the written characters on it have been registered with the State Administration of Trademarks, and we have also applied for registration in the United States, France, the UK, Canada, the FRG, the GDR, Italy, Switzerland, the Soviet Union, Australia, Japan, Singapore, Malaysia, Thailand, Kuwait, the United Arab Emirates, and other countries and areas under the Madrid Agreement on International Registration of Trademarks and other agreements. It is illegal for any individual or enterprise to usurp our company's logo and its written characters, which also constitutes a serious infringement of our rights. We hope enterprises and relevant personages at home and abroad will distinguish the sham trademark from the genuine one, and will not let themselves be fooled.

For the last five years since its founding, the Beijing Stone Group Company has enjoyed concern, support, and assistance from relevant enterprises and friends at home and abroad. We wish to convey to these enterprises and friends our heartfelt thanks. We sincerely hope to expand friendly relations and cooperation with relevant enterprises and old and new friends at home and abroad. Beijing Stone Group Company 10 February 1990

Leadership Gives Southern Region More Importance

HK0902030190 Hong Kong SOUTH CHINA
MORNING POST in English 9 Feb 90 p 9

[By David Chen]

[Text] The re-organized Beijing leadership, particularly the core of the Politburo Standing Committee which comprises mainly people from northern and eastern China, is now turning its attention to the south after resolving many immediate problems.

In the past three weeks, senior leaders from Beijing have been visiting the southern provinces of Guangdong, Hainan and Fujian perhaps the most economically-advanced region with unrivalled expertise in economic and trade cooperation with the Western world.

The subjects these leaders are concerned with are not confined to the changing of personnel, but include all aspects of administration and ideological concepts.

Political analysts, as well as regional officials in these provinces, were at first concerned with possible drastic personnel changes.

But they have gradually come to view the visits and the interest displayed by Beijing leaders as representing a genuine desire to promote closer relations between the central government and the south, which has been blessed with ready access both to advanced technology and a better understanding of a world that could help the country with its modernization programmes.

The attention directed toward the south also extends to the two capitalist enclaves of Hong Kong and Macao.

The appointments of the senior vice-foreign minister, Mr Zhou Nan, as new director of the NEW CHINA NEWS AGENCY in Hong Kong, and a vice-governor of the People's Bank of China, Ms Qiu Qing, to head the Everbright Group of companies are two examples.

These appointments are regarded as Beijing's attempt to maintain a much closer relationship with Hong Kong.

It has been a tradition for the central leadership of the party to include southerners, or those watching southern interests to be represented in its supreme body of the Politburo and its innermost core, the Standing Committee.

Following the withdrawal of several southerners, especially after Marshal Ye Jianying's retirement, few southerners sat on the Politburo or its Standing Committee.

But the south's interests were not neglected as the then prime minister and later party chief, Mr Zhao Ziyang, though a native of central Hubei Province, had spent most of his career in the south.

With Mr Zhao's departure last May, no southerner now sits in the Politburo or its Standing Committee although some observers point out that General Yang Shangkun, the state president and first vice-chairman of the party's Military Affairs Commission, could speak for the south having served as mayor of Guangzhou.

Visits by central leaders to the south are now new. But it is rare that within a space of less than three weeks, four

members of the six-member Standing Committee of the Politburo should visit the south.

Mr Qiao and Mr Li Ruihuan visited Guangdong two weeks ago. The Prime Minister, Mr Li Peng, was yesterday in Shenzhen and Shantou. And Mr Song Ping, the member charged with ensuring organizational matters in the party, is in Hainan on an investigative tour.

Yesterday, some of the top leaders were in the Shantou Special Economic Zone for the opening of its local university, built with funds donated by Hong Kong magnate, Mr Lee Ka-shing. Present at the ceremony were at least four Politburo members as well as officers of lesser ranks.

Further on Discipline Inspection Meeting

HK1402064790 Beijing RENMIN RIBAO in Chinese
8 Feb 90 p 2

[Report by Yin Pinduan (1438 0756 4551): "Central State Organs Hold a Second Meeting on Discipline Inspection Work"]

[Text] Beijing, 7 Feb—At the second discipline inspection meeting of central state organs today Luo Gan, secretary general of the State Council and secretary of the work committee of central state organs, said that party committees and discipline inspection commissions at all levels should take a Marxist stand, face reality, look into the future, exert themselves, concentrate on party building with a high sense of responsibility and urgency, and actively strengthen and fully display the role of party building in discipline inspection work.

Luo Gan pointed out the situation we are now facing: Due to the fact that party building has long been overlooked, and particularly because of the spread of bourgeois liberalization, impurity of ideology, organization, and style has become quite serious in the party. International hostile forces are stepping up their efforts to practice "peaceful evolution," thus making the struggle more acute and complex. The year 1990 is a crucial year for improving and rectifying the economy and deepening reform. The task will be quite arduous. In face of this situation, party committees and discipline inspection commissions at all levels should be fully aware of the importance and urgency of strengthening party building, should explicitly understand the responsibility entrusted by history, and should conscientiously solve the problems in ideology, organization, and style in the course of party building.

Strengthening party building should be focused on improving party organizations and the quality of party members, Luo Gan said. In light of the actual situation of building socialism with Chinese characteristics, party organizations at all levels should give all party members and cadres education in Marxism and Mao Zedong Thought, should carry out education in adhering to the

four cardinal principles and opposing bourgeois liberalization, and should constantly improve their consciousness for upholding the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, so as to ensure that leadership powers at all levels will remain in the hands of those loyal to Marxism. It is necessary to strengthen the party's political discipline. At all times and under all circumstances, party members must play an exemplary role in observing the state constitution and law. They must abide by the party constitution and program, keep their pledges they made upon entry into the party, and strengthen their faith in communism. At all times and under all circumstances, party members must safeguard Communist Party leadership, persist in socialist public ownership and distribution according to work, must not engage in bourgeois liberalization either in the political or economic field, and must not connive at, support, or participate in any event detrimental to social stability and unity. History has repeatedly proved that the party can have high combat effectiveness and stand the tests of all storms as long as it has a strong leading core, a correct line, and strict discipline.

Luo Gan pointed out, discipline inspection work is an important component of party work and plays an important role in strengthening party building, in safeguarding party regulations and party law, in handling violations of discipline, and in rectifying party style. He expressed the hope that all discipline inspection organs would always bear in mind the tasks entrusted by the party Constitution, be devoted to their duties, play an active role, and produce effective results in work. In the course of improving and rectifying the economy and deepening reform, discipline inspection commissions at all levels are required to strengthen their supervision over discipline, to strengthen their inspection over the implementation of central policies among party organizations, party members, and leading cadres, to strengthen party discipline, and to guarantee that improving and rectifying the economy and deepening reform will proceed smoothly.

Central state organs and the functional departments of the State Council are responsible for work in all fields, and discipline inspection commissions at all levels should put in the first place the work of upholding and safeguarding party discipline, Luo Gan said. Violations of orders and prohibitions, and cases disrupting the economic order must be seriously examined and dealt with. Countermeasures against the policies of the Central Committee and the State Council must be dealt with according to party discipline.

The CPC Central Committee has attached great importance to combating corruption, maintaining clean administration, and straightening out party style, about which the people are also very concerned. In his speech Luo Gan hoped that discipline inspection organs and cadres would pay close attention to these problems and never relax their efforts in solving these problems. Party members account for a very large percentage and there

are also many party-member leading cadres in central state organs; they have certain power in their hands, he said. For a period of time some party members and cadres have slackened their efforts to work for the people; their individualism has expanded; they abuse their powers for personal gain, seek comfort, and are not concerned about the masses' suffering. These decadent bourgeois ideas and corrupt practices are spreading. If they are allowed to develop, the consequences are dreadful to contemplate. Discipline inspection organs at all levels should achieve results in opposing corruption and running clean administration. They should maintain clean administration, perform their duties in a down-to-earth manner, form closer ties with the masses, improve the reputation of the party and the government among the people, and strengthen their power of coagulation.

Luo Gan demanded that discipline inspection cadres seriously handle violations of discipline in the party and put into effect the policy of exercising strict control over the party. In the new situation discipline inspection commissions at all levels should pay close attention to handling violations of discipline in the party, particularly major and important cases, Luo Gan said. Everyone is equal before party discipline, no one is an exception. Through handling violations of discipline, party regulations will be strengthened, party members will be educated to observe party discipline consciously, to straighten out their party style, to improve cadres' and masses' confidence in exercising strict control over the party.

In conclusion Luo Gan expressed the hope that party committees at all levels would pay attention to strengthening their leadership over discipline inspection work and show concern for and support discipline inspection commissions in their work. Central state organs and discipline inspection commissions at all levels also strengthen the formation of their discipline inspection contingents, study and familiarize themselves with the party's relevant principles and policies, and constantly improve the political quality of discipline inspection cadres.

Commentator Views Combating Natural Disasters

*HK1402121090 Beijing RENMIN RIBAO in Chinese
13 Feb 90 p 1*

[Commentator's article: "Earnestly Strengthen Leadership Over the Work of Reducing Natural Disasters"]

[Text] Ours is a country in which natural calamities occur frequently. Throughout history, laboring people in our country have been making their unswerving and protracted efforts to combat natural disasters. The history of development of the Chinese nation includes the history of struggle against natural disasters. Since the founding of the People's Republic, the party and Government have always attached importance to leading people throughout the country to do the work of

guarding against and resisting natural disasters, and providing disaster relief. We have scored achievements which have become the focus of world attention, and accumulated a wealth of experiences in this regard. This has laid a good foundation for further doing well the work of reducing natural disasters in the future. However, the occurrence of serious natural disasters is still a big problem in our national economic, and social development. Our mechanisms for reducing natural disasters have not been perfect. In the future, we still have a lot of work to do, and our tasks are very strenuous.

Whether we can do well in reducing natural disasters is of great importance to the safety and danger of the lives and property of the people, to our economic and social development, and to the happiness of our descendants. We must on no account treat it lightly. Therefore, various localities in the whole country must have a common understanding of the importance of the work of reducing natural disasters. They must strengthen their mechanisms for reducing natural disasters, and do their work well.

The work of reducing natural disasters is a systematic work. It includes precautions before the occurrence of the natural disasters, rescue work when natural disasters occur, and rehabilitation after the disasters. This has demanded a staunch and unified leadership. Party committees and governments at all levels must put the work of reducing natural disasters on the important agenda, make a serious analysis of the past, present, and future of the natural disasters, study counter-measures for reducing natural disasters, and do well in formulating and implementing blueprints and annual plans for reducing natural disasters. They must institute emergency budgets, earnestly implement the relevant guiding principles, policies, laws and decrees on reducing natural disasters, solve major problems and difficulties occurring in the work of reducing natural disasters, and sum up and popularize advanced experiences in reducing natural disasters. They must unswervingly persist in grasping the work of reducing natural disasters, and score actual results constantly.

To strengthen leadership over the work of reducing natural disasters, the State Council has established the Chinese International Natural Disaster Reduction Commission for Ten Years to unify, organize and coordinate the work of reducing natural disasters, and handle matters related with foreign countries in this regard. The departments concerned must closely coordinate their work and cooperate with each other to "put on the same show," and gain the overall results of the work of reducing natural disasters. In addition, we must give full play to the role of the scientific and technical circles, people's armed forces, social organizations, and the broad masses of the people in the work of reducing natural disasters, and closely cooperate with the whole society. In front of natural disasters which wreak havoc, we must take more initiative and demonstrate our capability in exercising control over natural disasters. Let us strive to minimize the losses caused by natural disasters.

Circular Calls for Easing Peasants' Burden

*OW1402112190 Beijing XINHUA in English
0850 GMT 14 Feb 90*

[Text] Beijing, February 14 (XINHUA)—The State Council issued a circular recently, calling on all localities and departments to adopt measures to alleviate the burden on the peasants.

The circular noted that some departments and localities have levied excessive charges and fees on peasants, dampening their enthusiasm for production.

The circular said that the fees contributed by peasants to townships should be used for education, family planning, allowances to disabled servicemen and their family members, militia training and transport facilities only. Peasants' voluntary labor should be used for planting trees, fighting floods and other disasters, maintenance of highways, and repairing and building schools.

Fees levied by collectives and townships should be controlled within the range of five percent of peasants' net income of the previous year and each rural laborer's voluntary labor should be from five to ten man-days. Extra voluntary labor must be approved by the county government, and only when necessary.

The circular added that it is necessary to continuously encourage the development of the rural collective economy.

Provisions Issued for Supervising Collegians

*OW1202130490 Beijing XINHUA Domestic Service
in Chinese 1218 GMT 9 Feb 90*

["Local Broadcast News Service"]

[Text] Beijing, 9 Feb (XINHUA)—The State Education Commission has recently issued the "Provisions for Supervising Students of Schools of Higher Learning." At a press briefing today, a responsible person of the commission pointed out that these provisions are aimed at safeguarding the normal teaching and orderly everyday life at schools of higher learning, as well as promoting the moral, intellectual, and physical development of college students.

The provisions include such aspects as the administration of students' status, extracurricular activities, campus order, and rewards and penalties. According to the provisions, students recruited by colleges in line with enrollment regulations can obtain the status of a college student only after passing the reexamination at the registration. The students must take part in all activities prescribed in the teaching programs and arranged by the schools at scheduled times during each academic year. Those who are unable to participate in such activities must obtain approval ahead of time. Students who have outstanding academic records can skip grades or graduate ahead of other students, while those who have performed poorly should be eliminated. A morally and

physically qualified college student who has completed or completed ahead of time all courses required in the teaching program, or who has passed the examination or completed the required credits, will be allowed to graduate and will be issued a diploma.

The provisions urges schools of higher learning to encourage and advocate extracurricular activities among students. However, such activities must be carried out within the limits prescribed by the Constitution, laws, and school rules and regulations, and must be subject to school supervision and management. It is necessary to encourage and advocate student organizations to launch scientific, technical, cultural, artistic, and sports activities, and to forbid illegal organizations to carry out activities and to publish and spread unlawful publications. Students' work - study programs should be supported, but they should not be allowed to engage in private business activities. It is necessary to support students to take part in the democratic management on campus and to reflect their opinions and suggestions through normal channels. Putting up small or big character posters on campus is forbidden.

Economic & Agricultural

Li Peng Tours Guangdong's Shenzhen, Huizhou

OW1202142290 Beijing XINHUA Domestic Service
in Chinese 0954 GMT 12 Feb 90

[By reporters Niu Zhengwu (3662 2973 2976) and Zou Aiguo (6760 1947 0948)]

[Excerpts] While inspecting Guangdong's Shenzhen, Huizhou, and other areas from 7 to 11 February, Premier Li Peng stressed that opening to the outside world is China's long-term policy because China cannot achieve its socialist modernization if it closes its doors to the outside world. An important measure of our reform and open policy is to develop our special economic zones and open our coastal areas wider to the outside world. The Central Committee's basic policy on special economic zones will remain unchanged, and the special economic zones should be further improved and given greater vitality in the course of improving the economic environment, rectifying the economic order, and deepening the reform and in the process of developing an export-oriented economy.

Premier Li Peng and State Councillor Li Guixian began their inspection tour from Shenzhen. Premier Li Peng made an important speech at a conference on the special economic zones' work, held in Shenzhen. He stressed that the speed of development in the special economic zones should be a little higher than the average growth rate in other parts of the country. The special economic zones should make further efforts to develop an export-oriented economy. They must adhere to the four cardinal principles and strengthen the building of a socialist spiritual civilization.

Accompanied by Ye Xuanping, governor of Guangdong Province, and Li Hao, secretary of the Shenzhen City party committee and concurrently mayor of Shenzhen, Premier Li Peng toured the city of Shenzhen and inspected Huanggang Port, which has been in partial operation.

Li Peng stressed that the special economic zones must make the development of an export-oriented economy their main task and goal. He expressed the hope that the special zones will make further successes in playing the role of a showcase and a base and make new progress in strengthening the building of a socialist spiritual civilization.

On the morning of 9 February Li Peng arrived at Dayawan to inspect Guangdong's nuclear power station under construction. Li Peng praised the speedy progress of the nuclear power plant's construction and the quality of construction. He said that now that the project has entered the crucial stage of installing the nuclear island [he dao 2702 1497] and the conventional island [chang gui dao 1603 6016 1497], brother Chinese and foreign experts and workers should cooperate and work in unity to construct the project successfully. He urged every Chinese comrade to have a sense of glory and responsibility and to do their best to complete the construction of China's first giant nuclear power plant. He urged foreign technicians and experts to contribute their technology, skills, and enthusiasm to the construction of the nuclear plant.

After leaving Dayawan Nuclear Power Station, Li Peng and his entourage, accompanied by Lin Ruo, secretary of the Guangdong provincial party committee, arrived in Huizhou City along the middle reaches of Dong Jiang for an inspection tour.

During his stay in Huizhou, Li Peng also inspected Aotou Port, an open port still under construction, the newly completed Huizhou Bridge, as well as a Sino-foreign joint venture in electronic car stereo equipment and a series of factories manufacturing auxiliary parts for this enterprise.

After on-the-spot inspections, Li Peng attended a discussion with responsible comrades of Huizhou City. Li Peng praised the city's remarkable achievements in improving the economic environment, rectifying the economic order, and deepening the reform, especially in developing an export-oriented economy.

During the inspection, Li Peng also heard briefings on the work in Guangdong Province and studied, together with provincial officials, the prospects for developing Guangdong's economy. He said: Although Guangdong is capable of advancing faster than other places in China in improving the environment, rectifying the order, and deepening the reform, the province should guard against impatience for success. Guangdong should earnestly summarize its experience in reform and opening to the outside world and readjust its economic structure so as

to develop the provincial economy at a more sustained, steady, and coordinated pace.

Responsible persons of the relevant departments of the State Council who accompanied the premier on the inspection were Jiang Xinxiong, Chen Jinhua, Liao Hui, Gang Ziyu, Xiang Huaicheng, Shen Jueren, Wang Deyan, He Chunlin, Huang Qitao, and Hou Fusheng.

'Total Duty-Free' Role for Shenzhen Proposed

HK1202013590 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 12 Feb 90 p 1

[By Cheung Lai-kuen]

[Text] Hong Kong's role as China's major manufacturing sector exporter, might be severely undermined if the Shenzhen special economic zone is granted the status of a total duty-free zone.

At the National Work Conference on China's Special Economic Zones (SEZs), which ended on Friday in Shenzhen, the Shenzhen municipal government urged the central government to open up the border between the SEZ and Hong Kong to facilitate imports and allow them in duty free.

Shenzhen has also requested the central government to allow imports to enter the mainland from the SEZ with permission of the regional government.

The Shenzhen SEZ, at present, enjoys a preferential tariff on its imports of manufacturing materials, but is not allowed to re-export goods to the rest of the mainland.

Sources in Shenzhen told THE HONGKONG STANDARD that senior officials from the central government who had attended the conference had promised to consider Shenzhen's request.

The source believed that Beijing would carefully consider the matter, before coming to a decision, as the plan would have an impact on China's other provinces.

Beijing would conduct a survey among various other provinces and cities, before coming to a decision, the source said.

He believed the proposal, if implemented, might undermine Hong Kong's status as China's major status as China's major exporter of manufacturing goods.

But, the impact would depend on the degree of freedom granted to the Shenzhen SEZ by Beijing.

He conceded that Shenzhen could not adequately manage certain back-up services—such as finance and insurance—on its own. For such services it was, at present, totally reliant on Hong Kong.

China's basic industry was very weak and most of the components for its manufacturing sector are imported for assembly.

Chinese manufacturers find Hong Kong the easiest of markets to purchase these items from.

However, since the end of 1988, China has set restrictions on its businessmen travelling abroad—the strict controls cover travel to both Hong Kong and Macao as well.

The restrictions on travel came about as a result of China's "economy austerity" programmes.

The source said that Shenzhen's request to Beijing included all kinds of production materials to be allowed to enter Shenzhen SEZ without tariff.

Besides cigarettes, cosmetics, alcohol and high-end consumer goods, all other imports should be allowed in duty free, they said.

Materials under quota restraints such as vehicle parts and certain machinery components, should be imported at the discretion of the related management authority.

The proposal requested that all enterprises registered in the SEZ should be allowed to purchase materials in the market for their own use without restrictions.

Those firms outside the SEZ, could apply to purchase goods in the Shenzhen market with approval from its provincial municipal governments and related authorities.

Shenzhen SEZ also requested that the finished products manufactured in the zone with less than 20 percent of imported materials should be treated as Shenzhen-made products.

They asked to be allowed to sell these goods in the hinterland with the approval of the municipal government.

As to Shenzhen-made products with more than 20 percent of imported materials, Shenzhen hoped Beijing would grant it a certain inland sales quota, the proposal added.

Commentator Discusses Special Economic Zones

HK1302114190 Beijing RENMIN RIBAO in Chinese 9 Feb 90 pp 1, 2

[Commentator's article: "Continue to do a Good Job in Running the Special Economic Zones"]

[Text] Glad tidings poured in from the Special Zone Work Conference which has just concluded: New headway has been made in the economy of China's special zones.

The efforts made over the past 10 years have been extraordinary. The special economic zones, the vanguard of China's open policy, emerged on the horizon and further developed on the vast land. With exuberant vitality and a vivid image, they have appeared before people at home and abroad.

Where does the exuberant vitality of the special economic zones come from? It comes from the foresight, sagacity, and a series of principles, policies, and measures of the CPC Central Committee and the State Council on running special zones, and from the correct guiding ideology of running zones well. The "Decision of the CPC Central Committee on Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening Reform" clearly points out: "The basic policies and measures for the special economic zones and coastal areas will remain unchanged. They will be gradually perfected in practice." This offers a guarantee and illuminates the direction for running the zones well in the future.

An important experience gained in running special zones over the past 10 years is that they should develop an export-oriented economy. Today, this has become a common understanding. Those who acquired understanding earlier have promptly embarked on the correct road, while those who acquired understanding later, are making great efforts to catch up. The economy of the special zones has manifested its special superiority and functions. In the course of improving the economic environment and rectifying the economic order, the export-oriented enterprises in the special zones are capable of overcoming the difficulties. They are slightly affected by the domestic market as they put both ends of the production process on the world market. Social order of the special zones is stable and the economy is growing steadily. The landscape here is beyond compare.

It is of great significance for the special zones to take the lead in developing an export-oriented economy in the coastal zones. As the window and base for opening up to the outside world, the special zones should base themselves on the locality, serve the country, and face the world. If the special zones, which are located on the front of opening up and which link the international market with the domestic market, fail to develop their businesses abroad; market their products in the world market; and acquire masterly skill through the sharp international competition; it will be impossible for them to give full play to their strong points, improve their qualities, and have great expectations. Moreover, the running of special economic zones would have no meaning at all. Therefore, the only way out for the special zones is to develop an export-oriented economy.

An export-oriented economy is one which participates in international exchanges and competition. The export-oriented economy of the special zones has just taken shape. We should make a comparison with ourselves and increase our confidence, and also make a comparison with other countries, discover our short points, and rouse ourselves to catch up. The Chinese people must have high aspirations. The special zones should gradually develop to a high level, start their career on the international market, and break a new path.

The policy of improving the economic environment and rectifying the economic order should also be implemented in developing an export-oriented economy. The special zones have developed and been upgraded in the course of the readjustment. The export-oriented economy of the special zones will be able to scale new heights so long as they appropriately solve the following problems: Readjust the investment orientation and industrial setup of the special zones so that they are suited to the high development of the export-oriented economy; effect a change in export products from a labor intensive to a labor-technology intensive and new, high technology; correctly handle the relations between "ensure" and "curtail", and between "advance" and "retreat" in capital construction; correctly handle the relations between investment and output, and between growth and efficiency; under the special circumstances of facing the international market, properly integrate a planned economy with market regulation and give more play to the role of market regulation; and enliven the market through rectifying the companies, market, and economic order so that the process of circulation will promote the development of production. Better use of foreign capital constitutes an essential means for the special zones to develop an export-oriented economy. The amount of foreign investment absorbed by the special zones now accounts for one-fourth of the country's total. Although the investment environment of the special zones is relatively better, they should make further efforts to optimize the investment environment, soft environment in particular, increase efficiency, and improve their management and service. The problems in personnel qualities, institutional establishment, and legislation should be resolved as quickly as possible through deepening reform. By setting an example in using foreign capital and accumulating experience, the special zones can play an exemplary role for the whole country.

While stressing the development of an export-oriented economy and increasing the economic proportion of "putting both ends on the world market," it is also necessary to enhance the economic ties between the special zones and the interior. The special zones belong to the whole country. The country supports the special zones while the special zones serve the whole country. Internal connections serve as a strong backing for the export-oriented economy. To increase export and earn more foreign exchange, the special zones should base themselves on further increasing the proportion of self-made products rather than vie with the interior for scanty sources of export products. Regarding products in great demand on the world market and short supply of raw materials on the domestic market, the special zones should vigorously develop the processing industry for foreign businessmen. Regarding products in great demand on the world market and ample supply of raw materials on the domestic market, the special zones should organize precision processing, increase the value of products, give full play to their strong points of having convenient transportation and quick access to information, and promote sales on the international market.

With their unique strong points, the special zones should play a radiation role and support the interior in information, technology, management experience, and personnel training.

The first spring of the 1990's has approached. China's five special economic zones will display their vitality and majestic appearance from the new starting point.

Yao Yilin Meets Zhongnanhai Inspection Workers

OW1302212290 Beijing XINHUA Domestic Service
in Chinese 1318 GMT 12 Feb 90

[By reporter Fu Gang (0265 0474)]

[Text] Beijing, 12 Feb (XINHUA)—Vice Premier of the State Council Yao Yilin and State Councillor Wang Bingqian met with all the members of the State Council working group in charge of inspection of tax revenue, financial matters, and commodity prices at Zhongnanhai this morning. Yao Yilin and Wang Bingqian also presented awards to 27 advanced workers.

Yao Yilin summarized the massive inspection work in 1989. He said: Last year's inspection work was very fruitful, better than in previous years. This is attributable to concerted efforts by finance, taxation, auditing, and commodity prices departments and the offices in charge of the massive inspection at all levels. Credit should also go to banks, procuratorate authorities, public security departments, courts, discipline inspection commissions, industry and commerce administration, and news agencies at various levels for their close cooperation, as well as to comrades of the National People's Congress [NPC], the Chinese People's Political Consultative Conference [CPPCC], and various democratic parties for their encouragement.

It has been learned that a total of 2.38 million state-run and collective enterprises, administrative units, and institutions across the nation underwent self-inspection from September to the end of December last year. The scope of self-inspection was 99.1 percent. During that period, the State Council Office for Inspection of Tax Revenue, Financial Matters, and Commodity Prices dispatched 142 cadres divided into 29 groups to conduct key-point inspection around the nation. Governments and departments at various levels subsequently sent 620,000 inspectors to check up on 855,000 enterprises and institutions. Through such self-inspection and key-point inspection, some 8.82 billion yuan due for the nation's coffers was uncovered; 6,654 million yuan of which had already been delivered to the state. The amounts respectively represent 79.7 percent and 14.37 percent increases from those of last year.

Yao Yilin said that four characteristics marked last year's inspection work: First, its strength, scale, and results were greater or better than in the previous years; second, the inspection of unauthorized treasuries [funds raised by individual units for their own disposal] was put in an important position; third, great efforts were made

to raise the quality of inspection; and fourth, comrades from the NPC, CPPCC, and democratic parties were invited to participate in the inspection.

Yao Yilin pointed out: The practice of setting up unauthorized treasury by various departments, enterprises, and units grew rampant over the past few years. This is one of the major reasons contributing to the state's losses in revenues and the excessive growth of consumption funds. This phenomenon has caused great harm because it fueled the spread of waste and extravagance, corrupting cadres and ruining party workstyle. Therefore, the State Council has decided to make the inspection of unauthorized treasuries an important part of its overall examination and has distributed a special document in this regard. We practiced a less strict policy on inspecting unauthorized treasuries this time mainly because we encouraged enterprises and institutions to do self-inspection. As of the end of last December, we ferreted out unauthorized treasuries of all types with total funds of 1,001 million yuan. By my estimate, there are far more unauthorized treasuries than that. Yao Yilin said: Many units adopted an attitude of leaving things to chance concerning the inspection of unauthorized treasuries. Some still withheld the truth and some continued to use or transfer funds from unauthorized treasuries. Some others even underwent inspection on one hand and violated the ban on the other, by going on to set up unauthorized treasuries and other practices. The State Council has decided to carry on this unauthorized treasury inspection work more intensively this year.

Speaking of the problems in last year's inspection work, Yao Yilin pointed out that some enterprises and units did not take self-inspection seriously enough, some even doing things just for the sake of appearances. In a small number of regions and departments, the area under the key-point inspection was less than 30 percent. There were still situations in which serious violations of laws and disciplines were handled too leniently and other examples.

Yao Yilin asked the inspection departments to work conscientiously in the next few months for the final stages of work, continue to improve the financial and economic systems, and further consolidate and enhance organizations under the Office for Inspection of Tax Revenue, Financial Matters, and Commodity Prices.

Bai Meiqing, deputy secretary general of the State Council presided over the meeting. Also attending the meeting were responsible persons from the NPC, the CPPCC, the Central Commission for Discipline Inspection, the Supreme Procuratorate, the Supreme People's Court, the Auditing Administration, the Ministry of Supervision, the United Front Work Department, the General Logistics Department of the People's Liberation Army, and relevant departments of the State Council.

Market Competition Faces Local Protectionism

HK1202075990 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0909 GMT 11 Feb 90

[Text] Beijing, 11 Feb (ZHONGGUO TONGXUN SHE)—The door of market competition that has opened thanks to the reform and opening up that has been carried out over the past 10 years is now being affected by protectionism in some localities.

This local protectionism that came about all of a sudden became an obstacle to the development of large amounts of famous brand, fine quality, and new special products, but gave the green light to the sales of poor quality and outdated style products.

To protect local industrial development, some localities applied administrative and economic means to restrict the sales of products from other localities. They levied taxes on the commodities coming from other localities, imposed surcharges, forced up the retail prices, reduced the gross profit rate of the commodity sales departments, and refused to repay bank loans.

Because of these measures, the commodities of other localities were reduced to inferiority in prices, making it difficult for the manufacturers and sales departments to make a profit. Some could not even enter the market.

As such local protectionism has run wild, Guangzhou's Five Ram brand bicycles, beverages, perfumes, and other famous brand products that were in great demand in the north, east, and central China some time ago have now become unsalable. As a result, many of Guangzhou's products had to be withdrawn from these local markets.

Many personages are worried about such a state of affairs, believing that if such local protectionism is not checked promptly, it will lead to a chain reaction in all localities, which will be disadvantageous to the establishment of a normal market order.

He Guanghui Discusses Enterprise Reform

HK1402031190 Beijing ZHONGGUO JINGJI TIZHI
GAIGE No.1, 23 Jan 90 pp 6-9, 40

[Article by He Guanghui (Vice Minister of the State Commission for Restructuring Economy): "Deepen the Enterprise Reform and Steadily Develop the Economy"]

[Text] The reform over the past ten years has made great changes in China's economy and in the lives of the people, and we have gained world-renowned achievements in all aspects. In the 1990's we will further improve and rectify our economy and deepen our economic reform according to the decision of the Fifth Plenary Session of the 11th CPC Central Committee. This is an important policy that has a bearing on the

long-term sustained, stable and coordinated development of our economy and is the guiding principle and main task for our economic work and reform for now and in the next few years.

Improving and rectifying the economy and deepening economic reform are the positive policies and measures to overcome the current and temporary difficulties. They are in complete accord with each other so we must not make them stand out in opposition. The improvement and rectification program has laid the groundwork for the reform to deepen and for ensuring its healthy development. It also needs to be coordinated with reform. During the improvement and rectification period, reform should be made to accommodate the improvement and rectification program and to serve it. The improvement and rectification program and the deepening of reform all are directed at bringing about the sustained, stable and coordinated development of economy. Therefore, we must always remember the goal and mission of the improvement and rectification program and take every opportunity to methodically carry out various reforms.

It is clearly pointed out in "the CPC Central Committee's Decision on Reform in Economic Structure": "To enhance the vitality of enterprises, especially that of large and medium-sized enterprises that are owned by the whole people, is the central link of the overall economic structural reform with cities as the major points." This is still what we will emphasize in our reform. The taxes and profits turned over by industrial enterprises account for more than 80 percent of the financial income of the whole country. Large and medium-sized enterprises, in particular, are not only the source of the state financial income but also the main pillar of the socialist modernization program and the main supplier of effective supply. Therefore, only by stabilizing enterprises can we stabilize the economy, and by stabilizing the economy can we stabilize the overall situation, bearing in mind that the most important thing to do to stabilize enterprises is to stabilize policies and to pay attention to their continuity. During the period of improvement and rectification, we will vigorously deepen reform in enterprises, and stick to the contracted responsibility system and improve it.

Stick to the Enterprise Contracted Management Responsibility System and Perfect It

During the 10-year reform, reform in enterprises has evolved from the expansion of enterprise self-operation freedom, profits retention, turning profits into taxes, and the implementation of the economic responsibility system, to the enterprise contracted management responsibility system. It has evolved from the reduction of taxes and concession of profits to the change of operation mechanisms that links the business turnover of an enterprise directly with its profits and interests and with those of its staff and workers, making it possible to integrate the responsibility, powers and rights on the premise of adhering to public ownership, and to handle

the relationships between the state and the enterprise more properly. This is a substantial change and is the creation of government departments at all levels, enterprises and the broad masses of people through the practice of reform and this is also the practical choice under the current economic conditions.

Comrade Li Peng pointed out recently: "The contracted responsibility system plays an active role in bringing into play the initiative and consciousness of enterprises and their workers and staff, in ensuring financial income, and especially in overcoming the current difficulties." Since the contracted responsibility system was generally practiced among enterprises in 1987, we were able to stop the profit slide that had persisted for 20 consecutive months and to gain good economic returns. The budgetary profits and taxes of the industrial enterprises in 1988 were 36.9 billion yuan more than in 1986, which was equivalent to the sum of profits and taxes earned in the period from 1980 to 1986. According to the data supplied by the Ministry of Finance, from January to August 1989, the budgetary growth rate of the output value of industrial enterprises was 5.3 percent, the growth rate of taxes and profits was 2.5 percent, and the growth rate of taxes and profits turned over to the state was 6.16 percent. This explains that under the stern external environments of enterprises increases in taxes and profits turned over to the state can still be maintained.

Ninety percent of enterprise contracts will expire between 1989 and 1990. What shall we do next? In view of the present situation, we should continue to stick to the enterprise contracted management responsibility system. In the meantime, we should seriously sum up our experience about it, promote what is beneficial and remove what is imperfect in it and continually improve it. In view of the overall situation of stabilizing the economy by stabilizing enterprises, the stability and continuity of policies are very important. During the period of improvement and rectification, at least, we should stick to and improve the contracted responsibility system. We should stick to this mode of operation on the one hand and make up for its deficiencies and improve it on the other. Moreover, we should vigorously explore other modes of operation, for example, increasing the number of experimental enterprises that separate taxes and profits. Separation of taxes and profits, repayment of loans after paying taxes, and contracting for tasks after paying taxes are the new developments in enterprise reform. They are beneficial to standardizing the relations between the state and enterprises. However, we are not yet in a position to thoroughly carry them out. We need to gain some experience through adding more experimental enterprises and then make choices with reference to the practical results.

Recently, it has happened that many enterprises are not willing to assume contracted responsibilities in the face of the great changes in external environments, difficulties in production and operation, and the great pressure on enterprise operators. Here there are the questions of

understanding and of reality. That is to say, there is not only the question of whether or not we will allow enterprise operators to continue assuming contracted responsibilities but also the question of whether or not they are willing to assume them. We believe, bearing the need to stabilize the economy in mind, we still have to do something to persuade those enterprise operators to convert pressure into motivation, overcome difficulties and continue to assume contracted responsibilities. During the improvement and rectification period, some provinces and cities have clearly assumed new contracted responsibilities for another periods or extended their periods of assumption of contracted responsibilities. This is favorable for stabilizing enterprises and economy.

At present, the contracted responsibility system is still developing and there are definitely many problems in it. Therefore, we need to improve it and perfect it.

First, we will ensure the steady growth of financial income and increase the staying power of enterprise development in accordance with the standardized contracted responsibility method under "the Tentative Rules Governing the Contracted Management Responsibility System of the Industrial Enterprises that are Under the Ownership of the Whole People" (hereinafter called "Rules for Contracted Responsibility".) From now on, for enterprises that are in keeping the state's industrial policies and that need development, especially the several hundred large, key enterprises that are strategically important to the long-term steady development of the national economy, we can employ the "two contracted responsibilities and one linking" mode, namely, first, they contract to turn over taxes and profits to the state and second, they contract to transform technology; and linking economic results with their remuneration. The period for the contracted responsibilities can be fixed according to the specific item of technology transformation. All other enterprises can continue to use their different contracted responsibility methods or they can become experimental enterprises that "separate taxes and profits or contract for tasks after paying taxes."

Second, we should rationally establish basic figures for contracted responsibilities. When a responsibility contract expires, we need to appropriately readjust the index for the amount of money turned over to the state by the enterprise and fix its progressive growth proportion. There are mainly three situations: First, when an enterprise's profit margin is obviously lower than the average level of the same enterprises in the same locality, this shows that its operation and administration are poor. We should therefore appropriately augment the index for the amount of money turned over to the state and increase its progressive growth rate so as to accelerate its growth. When an enterprise's profit margin is obviously higher than the average level of enterprises of the same trade, this shows that its operation and administration are good. We should encourage the enterprise to appropriately augment the index for the amount of money

turned over to the state and increase its progressive growth rate so that it can make more contributions to the state: If the enterprise takes up a heavy task of technology transformation, we do not need to make any augmentations. Second, for enterprises that have accomplished tasks of technology transformation as we injected relatively large amounts into them during the previous period of their assuming contracted responsibilities. We should augment the indexes for the amount of money turned over to the state and increase their progressive growth rates so that they can bring more profits. Third, as for those enterprises that need development according to industrial policies, we should reduce the index for the amount of money turned over to the state on the basis of the settlement of accounts, and the profits left over can be used to accomplish technological transformation. As for those enterprises that do not need development, we should appropriately augment the index for the amount of money turned over to the state. The three situations enumerated here, whether the money of amount is more or less, will be beneficial to the steady growth of financial income and also to overcoming the problem of "whipping the willing ox."

Third, we should rationally use the profits left over by enterprises and increase the proportion of production development funds. In order to cope with the present situation, we should be clear about two principles: First, the order in which we shall use the profits left over should be that we will use them first as circulating funds and for technological transformation, and then as welfare funds and as reward funds. Second, whatever the amount of profits left over by an enterprise, we should set aside a definite proportion of them for the further development of the enterprise and overcome short-term behavior. As profits left over vary greatly from enterprise to enterprise, all localities should follow these two principles. We should make a classified and specific proportion for the production development funds and the enterprise must not use the funds as it wishes so that the production development funds will be "strengthened"

Fourth, we should examine the index system and make it sound and we should properly guide the behavior of enterprises. A contract on responsibility must meet the requirements of the "Rules for Contracted Responsibility." Besides examining the increase of profits, profits turned over to the state and the progressive growth rate of profits, and the proportion in the retention of part of the extra profit, we must strengthen various testing indexes such as technological advancement and enterprise management, and strictly give rewards or punishments.

Fifth, we should improve the method that links remuneration with economic results, and control the excessively rapid growth of consumption fund. The practice of enterprises assuming contracted responsibilities over the past two years bears out that in general enterprises that have used the method that links remuneration with economic results are better than those that have not.

This method has really checked the growth of consumption fund and therefore should be continued. What we need to further improve is this: The remuneration-economic result coefficient should be fixed with reference to the average level of the economic returns of enterprises of the same trade in the same locality, rationally fix the floating proportions in gross pay so that the proportions can be more rational among enterprises. We must also note that we should not use up all the reward funds at one time but should leave some of them as preparation funds.

Sixth, we should improve the method for the reward and punishment of enterprise operators and prevent them from gaining unrealistically high profits. To this end, we must adhere to the following principles: First, the income of enterprise operators must be audited first before paid. Second, the income of enterprise operators must include all income such as all kinds of allowances and individual bonuses. Third, the income of an enterprise operator must not exceed three times the average income of staff and workers. Fourth, the income distribution scheme for an enterprise operator and other members of the leading group assuming a contracted responsibility must be examined by the delegate meeting of workers and staff and then be reported to superior departments for approval. Fifth, we should cancel the method under which an enterprise operator retains or shares profits of a above-base figure. Sixth, if the income of an enterprise operator exceeds the limits as stipulated in the "Rules for Contracted Responsibility," the amount that is exceeded must be added to the production development funds or used to found the risk funds for the enterprise.

Seventh, the plan for assuming a contracted responsibility must be discussed by the meeting of staff and workers so as to solicit the opinion of large numbers of staff and workers, and a democratic supervisory system should be instituted and improved.

Deepening the Inner Reform of Enterprises; Strengthen Enterprise Administration; Increase Economic Returns

We should stick to the factory director's (manager's) responsibility system. The factory director is the representative of a legal enterprise who has to assume full responsibility for the production, operation and the political situation of the enterprise. We must pay attention to the two civilizations. In order to properly strengthen the leading role of party organizations in enterprises ideologically and politically, our main task is to properly build up the party's ideology, organization and work style, guide the ideological and political work in enterprises, ensure that the policies and principles that supervise the party and state can be implemented, and uphold enterprise socialist orientation. Strengthening the building of the two civilizations of enterprises is the common task of the enterprise administration and party committees. Important operational decisions and the arrangements of key personnel of an enterprise should be jointly discussed by leaders of the party committee and

government, they then should be organized and implemented by the factory director. The factory director and party committee secretary should support each other, work together closely, be of one mind to properly run the enterprise with respect to production and operation, and to build up teams of workers and staff.

As for strengthening and improving political and ideological work, we must always stick to the "one center, two basic points" education, take into account what the masses really think, and carry out the education that embraces patriotism, socialism, independent thinking, the idea of striving hard and discipline observance. The soul of building enterprise socialist spiritual civilization is making it firm so that the working class is the master of society and enterprises and that this should be the main idea. We must wholeheartedly depend on the working class for the enterprise development and reform. We must bring together workers, technical personnel and cadres so that the initiative and consciousness of all staff and workers can be most effective.

—We will continue to deepen reform in the inner matching capacity of enterprises and improve the inner operation responsibility system. Enterprise operators and large numbers of staff and workers must conscientiously study and implement state economic laws and regulations, manage the factory conscientiously, and operate it according to the laws, and enhance its sense of responsibility for society. We should improve the responsibility system in which the factory director must reach the enterprise's target during his tenure, and the system in which staff and workers assume different responsibilities according to their positions. And we should be strict and fair in noting rewards and punishments. We make the financial system sound and place strict financial disciplines, reduce the purchasing power of groups and cut various management costs. We should improve the enterprise self-supervision and self-auditing system so that the function of the democratic management and supervision by the vast numbers of workers and staff can be effective. We should institute an effective system that thoroughly examines enterprises, taking into account the aforementioned.

—We should strengthen enterprise management and improve management levels. We should pay special attention to the following three aspects in our work: First, as for the basic work for enterprise management, we should make an effort to improve the quota management system, the cost management system, and the quality management system, the overall economic accounting system, and other management systems. Second, as for production site management, we should pay special attention to the production process and labor discipline, and carry out an effective responsibility system. Third, we should do a number of jobs to upgrade enterprises such as improving quality, reducing consumption, increasing economic returns and ensure safety in production.

—We should sum up enterprise advanced management experience through our practice. During the recent

years of reform, a large number of enterprises that possess high management levels have emerged. They have obtained modern enterprise management experience which is worth promotion. We should also use the advanced management methods of joint ventures for our reference.

—We should strengthen training of workers and staff. During the improvement and rectification period, we should provide different training programs for the cadres, workers and staff at different positions and levels of an enterprise, and we should do so through different channels so as to improve their political professional quality and their organization and management capabilities. This is not only for the need of improving enterprise quality and increasing economic returns but also is an effective way to solve the problem of enterprises having so many rich personnel.

Readjusting Enterprise Structure; Developing Business Conglomerates

In order to increase the overall economic returns, we must make an effort to readjust the the product mix, the industrial structure and the organizational structure of enterprises. To readjust various structures, we not only need to implement preferential policies for new investment projects, but also to stimulate the rational circulation of production factors. Improving the organizational structure of enterprises at the right time according to their operation situation, and developing business conglomerates are the two effective measures to bring about the circulation of production factors.

To cope with the current problems regarding enterprise regrouping and combination, and especially to bring into play the role of dominant enterprises, we should study and work out specific policies for improving the organizational structure of enterprises. First, we can non-reimbursably merge the enterprises that are owned by the whole people in the same locality, which is also known as administrative planned transfer. Second, for those enterprises that make transfers with compensation, we should encourage them to adopt the method under which only an enterprise that takes over another enterprise will assume responsibility for the debts of that enterprise and appropriately extends the period of time for the repayment of debts as an encouragement. Third, those enterprises that meet the requirements of bankruptcy can first go bankrupt and then be merged with another enterprise or shifted to another line of production so that the price of the reimbursable title of transfer. Fourth, for enterprises that need to be transferred or merged with other enterprises as confirmed by the government, we should stop such measures as the reduction of taxes, concession of profits, compensation and subsidy. In short, the readjustment of the organizational structure of enterprises under the public ownership of China must not only be made voluntarily by enterprises themselves but be consciously encouraged by the government. Encouragement should chiefly be given by means of policy guidance.

We should organize large numbers of medium-sized and small enterprises around the few large and key enterprises and develop them into business conglomerates. This is not only aimed at readjusting structures and increasing overall economic returns but also at strengthening the state's macroeconomic control. In recent years, there has been a rapid increase in the number of business conglomerates. However, most of these business conglomerates have not had the requirements of a business conglomerate so far as their structures, functions and ties are concerned. They are only loose complexes in essence so they do not play the role of a business conglomerate. In view of this, the emphasis in our work for the next phase is to improve the existing business conglomerates so that they can be mature and can better play their roles. To this end, we must first form a close enterprise stratum and remove the imperfections in structure. Second, we must gradually set up various institutes in business conglomerates that play different roles, such as investment institutes, profit institutes and cost institutes, so as to properly handle the relations between centralization and decentralization. Third, through the method of assuming contracted responsibilities among enterprises or the mode of issuing capital in terms of stocks to strengthen the inner capital links of business conglomerates and reinforce their ties. Fourth, we should grant more freedom to enterprises in handling their foreign trade and to push them toward the international market. Fifth, we should improve the method in which key business conglomerates are placed under single listings in state plans. With more than 100 large business conglomerates as the main body we can form strong economic combined bodies, and we should grant them more freedom in operation so that they will play the role as the mainstay and become the main strength of the national economy.

Create Good External Environments for the Normal Production of Enterprises and Bring into Full Play the Role of State Large and Medium-Sized Enterprises as the Mainstay

At the present time, the following problems need urgent solution: First, we must guarantee that enterprises implement mandatory plans. Large and medium-sized enterprises are responsible for more state mandatory plans than others and encounter especially great problems in this respect. The shortages of capital, energy, transport and raw materials have seriously affected their completion of mandatory plans. Guaranteeing first of all that large and medium-sized state enterprises should complete state mandatory plans is very important to the development of the national economy, and to resolving the current economic difficulties, especially financial difficulties. To this end, we can work out a list of enterprises that will receive our definite guarantee, taking into account the state industrial policies, and the probability of supplying energy, transport, capital and raw materials, and the principle of rationally distributing resources according to the volume of economic returns of enterprises.

Second, we should be clear about the "triangular debt" and resolve the problem of sluggish circulation of capital. This problem has to do with plans, finance, banks and the managing departments of enterprises, and so on. It is necessary to have the coordination of relevant departments for the starting capital to be used in appropriate places so that we can reach the goal of "grip one point and revive the whole."

Third, we should implement the policy of supporting state large and key enterprises. For those large and key enterprises that develop according to the needs and technological transformation under state industrial policies, we should use the method that has been used for the No. 1 Automobile Company, the No. 2 Automobile Company and the Anshan Iron and Steel Company, continue to have them contract for responsibilities, and make the contracted periods identical with the period of technological transformation so that the powers of self-operation, responsibility for losses and gains, self-development, and self-control can be strengthened.

Fourth, we should strictly control the importation of industrial products and replace them by developing imported products. In view of the weak domestic market, we should make it our important policy to strictly control the importation of products and replace them by our own. This is a great support for large and medium-sized enterprises as well.

Fifth, state and local departments that are in charge of comprehensive economic management must strengthen the guidance, regulation and coordination of large and medium-sized enterprises so that professional departments can serve these enterprises with respect to organization, coordination, and management; and that the links between enterprises' superior and inferior departments can be strengthened, effecting high efficiency. We can choose and place a number of key enterprises in plans of various levels.

The tasks of improving and rectifying the economy and of deepening the reform are formidable. Only if our whole party unites together, work with one mind, wholeheartedly depend on the working class, and bring into full play the initiative of all sides, can we surely overcome difficulties under the correct leadership of the CPC and to accomplish various tasks of improvement and rectification and deepening the reform as put forward by the CPC Central Committee.

Enterprises Face Suspended Operations

HK1302132590 Hong Kong CHING CHI TAO PAO
in Chinese No. 6, 12 Feb 90

[Article by You Wei (1429 3634) filed on 8 February: "Suspension of Operation of Enterprises Has Drawn Attention"]

[Text] In the past few months, due to the sluggish market, shortage of funds, and other reasons, more and

more enterprises have suspended, or are about to suspend, operation. It is estimated that the number of enterprises under ownership by the whole people which have suspended or partly suspended operation, may have exceeded six percent, and over four million staff members and workers are affected. The current suspension of production and operation of enterprises shows the following characteristics:

- It affects an immense area and a wide range of trades in a large scope. It affects to a varying extent all the provinces, municipalities, autonomous regions, and cities that are separately listed in the state plan; as well as the machinery, electronics, building, light, textile, and metallurgical industry. Enterprises in coastal areas have been suffered more seriously from suspension or partial suspension of operation. In some provinces, such as Guangdong and Fujian, the number of enterprises which have suspended or partly suspended operation account for more than 10 percent of all the enterprises.
- The tide of suspension of operation has been developing drastically and in a big way. Since September 1989, suspension of operation of enterprises has been emerging as a more and more serious problem and has evoked chain reactions which are now spreading from coastal areas to the hinterland, and from processing industries to raw and processed material industries.
- Enterprises under the ownership by the whole people, collective-run enterprises, and private enterprises are all involved in the tide, and collective-run enterprises have been suffering especially seriously from suspension and partial suspension of operation.

The issue of suspension of production and operation of enterprises has already attracted great attention from the government. As reported by well-informed sources, the State Council recently issued several urgent circulars and telegrams, demanding that all areas and all sectors pay close attention to this issue and take feasible measures to keep normal operation of enterprises and to ensure fair living standards for enterprise staff and workers. At present, all sectors in various areas are making proper arrangements to provide a subsistence for those who are affected by suspension of production, and unemployment insurance funds or financial appropriations are diverted as living allowances to be paid to jobless personnel. At the same time arrangements are being made to offer new appointments or training to jobless persons. Relevant measures have been adopted in each enterprise in accordance with the industrial policy.

Some figures in economic circles hold that suspension and partial suspension of operation in a few enterprises is something expected in the process of economic improvement and rectification. It is a natural outcome of the readjustment of the production structure and it offers a favorable opportunity for the operation. Therefore, there is no reason for panic. Of course, while steadfastly carrying out the economic improvement and rectification operation, one must also keep an eye on the

development and properly solve any problems that may arise, so as to ensure social and economic stability.

Conference Introduces 'Two Guarantees'

Report Outlines Plan

HK1402044190 Beijing JINRONG SHIBAO in Chinese
30 Jan 90 p 1

[Report by Wang Lianxi (3769 6647 6007) of the Central People's Broadcasting Station and Zhang Jidong (1728 4949 2639) of JINRONG RIBAO: "State Planning Commission and State Council's Production Commission Decide On Experimental 'Two Guarantees' for 200-Plus Key Backbone Enterprises"]

[Text] Beijing, 24 Jan—The State Planning Commission and the State Council's Production Commission recently called a "two guarantees" conference in Beijing of some key backbone enterprises in the northeastern area. It decided to experimentally introduce "two guarantees" for more than 50 key backbone enterprises in the northeastern area. It also made solid balanced arrangements for main external production conditions for these enterprises.

In line with the spirit of the instructions of the leading comrades of the State Council, the State Planning Commission and the State Council's Production Commission decided to experimentally introduce "two guarantees" for more than 200 key backbone enterprises throughout the country. The state will provide these enterprises with main production conditions and they will in turn guarantee turning over to higher levels profits-taxes and products subject to fixed quotas. To do a good job of "two guarantees" work, the State Planning Commission and the State Council's Production Commission decided to first subject 50-plus key backbone enterprises in the northeastern area to "two guarantees" and then gradually extend the practice to the whole country, with experiences gained. The 50-odd enterprises in the northeastern area put on a "two guarantees" basis are distributed over energy, raw materials, electric production equipment for mechanical and electrical industries, and other fields. They include the Anshan Iron and Steel Corporation, the Daqing Oilfield, the Daqing Petrochemical Company, the Northeast Power Industry Administration, the Fushun Aluminum Plant, the Jixi Mining Affairs Bureau, the Harbin Power Station Equipment Company, the Shenyang Electric Cable Factory, the Jilin Chemical Industry Company, and so forth. These enterprises occupy an important position not only in the northeast but also in the whole national economy. They play an important role in guaranteeing the supply of energy and raw materials and increasing effective supplies. The introduction of "two guarantees" is an administrative and economic means adopted by the state and is an important measure for deployment of resources with discrimination to stabilize the national economy as a whole.

Concerning those enterprises put on a "two guarantees" basis, the State Planning Commission will join relevant departments in determining required main external production conditions and officially handed down plans. Based on "two guarantees" plans, relevant departments will respectively provide energy and raw materials for "two guarantees" enterprises. They will also hand down the quotas based on assessments to various enterprises. The People's Bank of China will team up with relevant specialized banks providing "two guarantees" enterprises with preferential support in regard to working capital loans—doing so in line with the demands of the state's industrial policy. Railway and transportation departments must also guarantee the transportation of materials for these enterprises on a priority basis. All "two guarantees" enterprises must guarantee turning over to the state products included in mandatory plans. Some of the products outside mandatory plans must be subject to state guidance, with the introduction of fixed quotas with no fixed prices.

Ye Qing, Vice Chairman of the State Planning Commission and concurrently Chairman of the State Council's Production Commission called on various areas and departments to strengthen leadership and realistically guarantee external production conditions for "two guarantees" enterprises. "All 'two guarantees' enterprises must further deepen the enterprise reform, strengthen enterprise management, stimulate technological progress, deepen the 'double-increase and double-retrenchment' movement, and guarantee handing over to higher levels products subject to fixed quotas and fulfilling the profits and taxes target.

Commentary Stresses Stability

HK1402044990 Beijing JINRONG SHIBAO in Chinese
30 Jan 90 p 1

[Short Commentary: "A Major Measure for Stabilizing Overall Economic Situation"]

[Text] The State Planning Commission and the State Council's Production Commission have decided to experimentally introduce "two guarantees" for 200-odd large and medium-sized backbone enterprises throughout the country. This is an administrative and economic means adopted by the state and a major measure for deployment of resources with discrimination to stabilize the national economy as a whole.

Large and medium-sized backbone enterprises are the main pillar of our modernization effort and provide the most important material and technical basis for socialism. They are assuming the mission to produce most of the state's products distributed in a unified manner and the people's daily necessities. They are also a main source of income for financial departments at various levels. The 5th Plenary Session of the 13th CPC Central Committee decided to "give full play to the backbone role of state-run large and medium-sized enterprises," and called for "working out a list of enterprises

to be put on a guaranteed basis and guaranteeing on a priority basis the needs of these enterprises in regard to energy, raw materials, transportation and funds." The list of these 200-odd backbone enterprises has been exactly worked out in line with the spirit of the instructions and decision of the Party Central Committee and the State Council. Relevant state and local departments must realistically provide "two guarantees" enterprises with energy, raw materials, transportation, and other main external conditions. Banking departments must undertake to provide necessary working capital. Meanwhile, those "two guarantees" enterprises must also strengthen internal management, widely and penetratingly launch a "double-increase and double-retrenchment" movement centering on conserving energy, reducing consumption and improving economic results, and put in relatively little to hand over to the state more profits-taxes and products subject to fixed quotas.

This year is a crucial one in the effort toward improvement and rectification and reform deepening. It is hoped that everyone will stir up their spirits, press forward in the face of difficulties, make concerted efforts, and strive to do a good job of production in the industrial and transportation fields, contributing toward stabilizing the economy and stabilizing the overall situation.

Tourism Viewed as 'Still Fighting To Recover'

OW1302101290 Beijing XINHUA in English
1554 GMT 12 Feb 90

[Text] Beijing, February 12 (XINHUA)—China's tourist industry is still fighting to recover from the buffeting it took last year.

At a national tourism conference that opened here today, Liu Yi, director general of the National Tourism Administration, told representatives from all over the country that the industry should continue the rectification drive and carry out more marketing activities to fulfill the state's target of two billion U.S. dollars this year.

Liu said China's tourism industry suffered great losses in the wake of the political turmoil last June.

In 1989, overseas tourist arrivals came to 24.5 million, including 1.46 million foreigners. Visitors hosted by tourist organizations stood at 3.24 million. The industry earned 1.8 billion U.S. dollars, about 20 percent lower than in the previous year.

He said 1990 is the key year for China's tourism recovery. He said he hoped that all the workers in the industry will contribute to the recovery of the industry.

At present, he pointed out, China has some favorable conditions for healthy development of tourism.

The stable political situation and the reform and opening policies serve as the basis for the sustained, stable and coordinated development of the industry.

The lifting of martial law in Beijing early this year was a manifestation in this, he added.

He said much progress has been made in the rectification of tourist enterprises, and training of personnel.

"This provides a good environment for the recovery and development of China's tourism," he said.

However, he added, China's tourism industry still faces some unfavorable factors such as price hikes in communications fees and the change in the exchange rate between the renminbi and the U.S. dollar.

He said the tourism industry should be well aware of the difficulties as well as the hope for recovery, and make great efforts to fulfill the state's target. In 1990, the country's travel agencies should host 3.5 million overseas tourists, eight percent more than last year's figure, and earn two billion U.S. dollars, 11 percent more than last year's figure.

Zou Jiahua at Automobile Corporation Inauguration

OW1302014190 Beijing XINHUA Domestic Service in Chinese 1010 GMT 11 Feb 90

[By reporter Li Anding (2621 1344 1353)]

[Text] Beijing, 11 Feb (XINHUA)—With the approval of the State Council, the China Automobile Industry Corporation was inaugurated today.

State Councillor Zou Jiahua attended a national work meeting on the automobile industry.

At the meeting, He Guangyuan, minister of machine-building and the electronics industry, read a reply from the State Council approving the inauguration of the China Automobile Industry Corporation. The reply said: The China Automobile Industry Corporation is an economic entity not covered by state plans. The Corporation's functions in supervising the automobile trade should be authorized by the Ministry of Machine-Building and Electronics. The former Chinese Automobile Industry Federation will be changed to an association of automobile trade and continue to exist on a trial basis.

An important pillar of China's national economy, the automobile industry turns out about 40 billion yuan in output value annually, a quarter of the annual output value of the machine-building and electronic industry. It produces 650,000 automobiles and 1.1 million motor cycles, and yields more than 41 billion yuan in revenues from sales annually.

Speaking at the meeting, Cai Shiqing, a responsible person of the new corporation, said: The China Automobile Industry Corporation shoulders the heavy task of exploring ways to run the automobile industry as a

group. We should strive to successfully carry out integration of assets, development of products, and specialization of production. At the same time, we should orient the corporation to serve the needs of the entire automobile industry, ensure a good job in "overall planning, comprehensive balance, organized coordination, and supervision and service," and earnestly carry out economic rectification, thereby facilitating the wholesome development of the industry.

Chen Junsheng Urges Water-Saving Agriculture

HK1402033590 Beijing RENMIN RIBAO in Chinese 9 Feb 90 p 2

[“Report by Chen Jian (7115 0256): “State Councillor Chen Junsheng Calls for Putting the Development of Water-Saving Agriculture on Agenda”]

[Text] At the forum on water-saving agriculture, State Councillor Chen Junsheng pointed out: Developing water-saving agriculture must be placed on the agenda of the departments in charge of agriculture as soon as possible; otherwise the agricultural production in the north will end up in a blind alley.

Water for agricultural irrigation accounts for 85 percent of total water consumption in China. At present, agricultural irrigation wastes a lot of water because what crops need, in fact, only makes up 20-30 percent of the water used for irrigation on the ground. The traditional method of irrigation involves a prodigal waste of water. If we could raise the utilization rate of water by 10 percent, that would mean increasing water supply by 45 billion square meters, or building scores of or even 100 big reservoirs. Therefore, Chen Junsheng added, we must try to save water by all means possible, and raise the utilization rate of water resources. Saving water has constituted a major problem for expanding China's agriculture in a sound and stable way.

Chen Junsheng pointed out: The leadership in all localities, in northern areas in particular, should place the spreading of water-saving agricultural technology in line with local conditions on the agenda, and should formulate corresponding policies in support of the spreading of the technology. He continued: The State Council has made developing and improving the service system in the rural area one of the focal points of its work for 1990, through which to boost the collective economy in the rural area. It is necessary to incorporate the development of water-saving agriculture into the effort to improve the service system in light of local conditions. All localities should regard the development of water-saving agriculture as an important content of their effort to spread advanced agricultural technology while trying to boost agricultural production by making use of science and technology and by allowing technical people to contract for agricultural production.

East Region

Jiangsu Leaders Inspect Farm Production

OW1302122290 Nanjing XINHUA RIBAO in Chinese
15 Dec 89 p 1

[By reporter Huang Bingsheng (7806 4426 3932)]

[Excerpt] A vigorous farm production campaign, focusing on construction of irrigation works during the winter-spring period and on field management of over-winter crops, is spreading throughout the countryside in the province. Delegates from the provincial party committee and government toured some 100 sites in 11 cities and 30 counties (cities) and districts across the province from 5 to 14 December. These delegates held on-site meetings on construction of irrigation works and field management. The meetings were the first of their kind since the introduction of the output-related system of contracted responsibilities in the rural areas in the province.

During the 10-day tour, leading provincial Comrades Han Peixin, Chen Huanyou, Sun Jiazheng, Cao Hongming, Zhou Ze, Hu Fuming, Yue Dewang, Ling Qihong, Zhang Xuwu, and Cao Keming, in the company of officials in charge of agriculture from various cities as well as comrades from provincial departments concerned, inspected farm production in Jiazhuang Village, Jiangdu County. At the closing of a meeting held in Huaiyin City, Cao Hongming, deputy secretary of the provincial party committee, mapped out plans for strengthening leadership over agriculture, furthering rural reform, and developing comprehensive agriculture. Provincial Vice Governor Ling Qihong relayed the guidelines of the national experience-sharing meeting on comprehensive agricultural development and arranged farm production for the winter-spring period. [passage omitted]

Jinan Military Region Improves Logistic Work

OW1202032190 Beijing XINHUA Domestic Service
in Chinese 0931 GMT 6 Feb 90

[By reporter Tan Daobo (6223 6670 0590) and correspondent Xin Fuyi (6580 4395 5030)]

[Text] Jinan, 6 Feb (XINHUA)—The People's Liberation Army [PLA] has achieved initial results in deepening reform in its logistic work in an effort to improve and rectify the logistic system. As revealed at a recent logistic work meeting held by the Jinan Military Region, its three services, Army, Navy, and Air Force, have saved more than two million yuan for the state in transportation, travel, and per diem expenses since they began a test reform program for their logistic work.

The test reform program is dubbed "three for's" [san dai 0005 0108], which changes the system of providing logistic supplies according to the various services. Under this program, tests were carried out for Army, Navy, and Air Force units of the same Military Region to supply fuel, provide medical service, and do repair work on

ordinary equipment for each other in designated areas. It is said that the test reform program is aimed at providing convenience for various units, at reducing intermediate links, at simplifying procedures, at cutting expenditures, and at improving the function and efficiency of logistic work.

The Army, Navy, and Air Force units of Jinan Military Region, which undertook this comprehensive test reform under the guidance of the General Logistics Department, have begun the "three for's" program one after another since early 1987. Last year, when the test reform program was in a crucial stage, our national economy was undergoing all-round improvement and rectification. The strain on funds and material supply presented difficulties in continuing the reform. However, investigations showed that not a single unit in the Military Region suspended the reform test because of temporary difficulties. By the end of last year, the vast majority of units had passed the "difficult period" of the test reform and had entered the stage of sound development.

The "three for's" test reform program offers a new model for the logistic supply system in our Army. Toward the end of last year, leading comrades of the General Logistics Department conducted several special investigations and appraisals of the results of the "three for's" tests in Jinan Military Region. They concluded that through this reform, a new way has been explored and experience has been gained for improving our Army's present logistic system. It has also created conditions for our Army to establish a joint logistic system for the three services, which is one of the modernization projects of construction and development in our Armed Forces.

Shandong Congress Reviews Company Reorganizations

SK1302040590 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 10 Feb 90

[Excerpts] On the morning of 10 February, the provincial People's Congress Standing Committee held an enlarged meeting of the chairman and vice chairmen to hear a report given by Ma Shizhong, vice governor and director of the provincial leading group for screening and reorganizing companies, on the province's situation in screening and reorganizing companies.

As has been learned, since August last year, the provincial party committee and government have conscientiously implemented a series of decisions and guidelines of the party Central Committee and the State Council on screening and reorganizing companies. They have also done much work and made initial achievements. As of now, the province as a whole has dissolved 2,938 companies, accounting for 17 percent of the total number of companies; investigated and handled 1,597 cases concerning the law and discipline breaches of companies; collected 17.35 million yuan of fines; examined and audited 1,931 companies; and investigated and handled 470 major and appalling cases. At present, the provincial work of screening and reorganizing companies is being

developed in depth, and some major and appalling cases are being sorted out and investigated. [passage omitted]

While giving speeches at the meeting, some members of the provincial People's Congress Standing Committee pointed out: Screening and reorganizing companies is one of the important tasks of the campaign of improvement, rectification, and deepening of reform and an issue of province-wide attention. Based on the work of the previous stage, we should further strengthen leadership and successfully carry out this work from start to finish. We must deal with the issues of dissolving, merging, and retaining the companies under the provincial authorities in a resolute and fact-seeking manner. It is necessary to adopt appropriate measures to deal with the provincial situation in screening and reorganizing companies and some problems concerning some companies' law and discipline breaches and to strengthen social media and people's supervision.

Li Zhen, chairman of the provincial People's Congress Standing Committee, also addressed the meeting. He said: Although our province has made great achievements in screening and reorganizing companies, the next step of work will remain arduous. During the next step of work, the provincial People's Congress Standing Committee will continue to strengthen supervision and support over this work and will guarantee the smooth progress of this work.

Vice chairmen of the provincial People's Congress Standing Committee staying in Jinan, some committee members, and responsible comrades of the appropriate departments of the provincial People's Congress Standing Committee and of the provincial government also attended the meeting.

Roundup Views Retrenchment Impact on Zhejiang

OW1302154790 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 26 Jan 90

["Roundup" by station reporter (Zhang Jianping): "The Economic Retrenchment Has Brought About Changes to Our Province"]

[Text] The efforts to improve the economic environment and rectify the economic order have been carried out in our province for a year. Now everyone can see for himself the changes that the economic retrenchment has brought to the economic life in our province. The relaxed look of housewives, who are the most sensitive to market fluctuations and who are also the barometer to market changes, proves that the market situation has markedly improved. Housewives give a balanced view to the current changes. They said that this year they received fewer bonuses, but price increases were also less sharp than last year. One can sense a mood of general relief in general among the people. An overheated economy, particularly excessive social demand, was cooled down. This can be seen because banks have accumulated increasing amounts of savings deposits, the prices in such means of production as coal and steel have

dropped, and the galloping pace of industrial production, which had been a major source of concern to many people, has been reined in.

A series of retrenchment measures introduced last year to specifically deal with excessive demand and to readjust the economic structure have yielded some expected results. Our province succeeded in checking inflation in 1989. The rising rate of retail prices, which was 26.1 percent in the first quarter in 1989, was down to 8.1 percent in November 1989. The overall level of the commodity prices in 1989, as compared to 1988, was down by three percent. The rising trend of the seemingly insatiable social demand has also been checked. Fixed assets investment was down seven percent in 1989, as compared with the preceding year. The province's industrial output value at or above the township level in 1989 rose 4.4 percent over the preceding year, a 15.7 percent decrease in the growth rate as compared with 1988. The growth rate of heavy industry is higher than that of light industry; the growth rate of the energy and raw materials industries is higher than the processing industry. The strain on traffic and transport has been partly relieved.

Society and governments at all levels now attach importance to agricultural production. Despite natural calamities, the gross output value of agricultural production in 1989 in our province, especially total grain production, still maintained the same level as in 1988. The domestic market enjoyed stable sales, and exports achieved sustained growth. The financial situation was good, and the economic order turned for the better in 1989. Financial revenue in 1989 increased 13.7 percent, as compared to that in 1988. The growth rate in the balance of bank deposits was 7.3 percent higher than the loan balance. Additionally, more currency was withdrawn from circulation. We may say that the measures taken to improve the economic environment and to rectify the economic order have brought the overheated economy in our province under control.

The readjustment in the economic structure has begun, and the national economy is now developing in the right direction. The achievements have boosted our confidence in further continuing the efforts to improve the economic environment and rectify the economic order and to further develop our social economy. However, we must say that key factors leading to inflation have not yet disappeared, and that some deep-rooted contradictions affecting economic stability—such as social demands outstripping supply, irrational production structure, and low economic efficiency—have not been solved fundamentally. New problems such as a sluggish market, the sharp drop in industrial production, and fund shortages also cropped up.

To stabilize the economy, it is necessary to steadfastly carry forward the measures to improve the economic environment and to rectify the economic order. Economic and business circles should have a sense of urgency to mobilize the enthusiasm of the masses to specifically explore the ways to readjust the economic

structure and to raise the economic efficiency. Only through this can we realize the goal of sustained, stable, and coordinated development of the national economy as proposed by the Fifth Plenary Session of the 13th CPC Central Committee.

Central-South Region

Article Reviews Hainan Construction

HK0802103590 Hong Kong WEN WEI PO in Chinese
31 Jan 90 p 1

["Special Article" by Fu Fen (4569 1164): "Fledgling Construction in Hainan—Report on Capital Construction in Hainan Province, Part One"]

[Text] (Editor's note) Shortly after the founding of Hainan Province, various complicated unfavorable internal and external factors were encountered, and some people were not satisfied with the achievements during the 2 years after the province was founded. However, it should be fully affirmed that the investment environment in Hainan has been substantially improved, as the province has pursued the guideline of "laying a solid foundation for development" during the past 2 years. As an island it is without a land passage to the rest of the world, so it is of particular importance to develop air links. This is the reason why we first talk about air transport in this report series. [end editor's note]

The Run-Down Airport of the Past

Hainan's air transport industry was inaugurated during the Japanese occupation. In December 1949, the air route between Hong Kong and Hainan opened, and, shortly thereafter, irregular air services to Southeast Asia and Taiwan also began.

Before Hainan became a province, there were only two air routes linking Haikou to Zhanjiang and Guangzhou. Haikou Airport was built in 1956.

Conditions were obviously backward. People must still remember the small old building and several houses in Haikou Airport. It was hard to believe that the airport in a provincial capital could be so simple and crude. A visitor from Singapore said that Haikou Airport was the most run-down airport he had ever seen in the world.

Fortunately, this scenario no longer exists. It has been changed by time.

A Gust of Spring Wind Appears Overnight

The changes at Haikou Airport epitomize the tremendous and rapid development of Hainan's air transport industry. In less than 1 year from the establishment of the province, a modern terminal building was put into operation at Haikou Airport. The new terminal building has an impressive appearance and a floor area of 5,300 square meters. There is central air-conditioning and such

modern facilities as electronics scales, automatic luggage belts, and electronic flight information boards. Haikou Airport was changed from a minor civilian aviation station to a modern airport.

After Hainan became a province and a large special economic zone, regular air services from Haikou to Hong Kong, Beijing, Chengdu, Kunming, Shanghai, Sanya, and Shenyang were opened in turn. Chartered flights to Singapore, Bangkok, Xian, Hong Kong, and Shantou also appeared. The number of domestic and international air routes increased sharply from two to 14. The total length of these air routes increased from 525 to over 40,000 km. The planes in use by Hainan's air transport industry were extended from An-24s and Boeing-737s to Boeing-747s, Boeing-757s, and T-154s. Last year there were 6,206 takeoffs and landings at Haikou Airport involving a total of 333,000 passengers and 3,535 tons of cargo. This ranked first among station-level airports in the whole country.

More Noticeable Development in the Future

The main project for developing Hainan's air transport industry is the construction of Fenghuang Airport in Sanya. Building was started with Swedish funds, and after the Swedish investor withdrew, France became involved in the project. After the 4 June incident, the French Government suspended the cooperation plan, and no construction funds were available. However, the Hainan Provincial Government is still determined to raise funds and continue the airport project. Fenghuang Airport occupies 4,000 mu of land and has a 3.4 km runway. Total investment in the project, which is divided into several phases, will total 300 million yuan. During the first phase, it will accept mainly smaller planes, like the Boeing-737. In the future, it will accept larger aircraft, such as the Boeing-767 and MD-82. Land requisition has been completed. On 13 January, provincial Governor Liu Jianfeng said at a meeting that the Fenghuang Airport project would start soon and would be put into operation in 1991.

At present, over 10 flights a day link Hainan closely to the five economic cooperation zones in northeast, northern, northwest, southwest, and southern China and to Hong Kong and Southeast Asia. It is expected that in the future, people will be able to fly to all five continents from Hainan.

Hubei To Launch Industrial Development Zone

OW1302142790 Beijing XINHUA in English
0635 GMT 12 Feb 90

[Text] Wuhan, February 12 (XINHUA)—Central China's Hubei Province has decided to establish an experimental development zone for new industries in Xiaogan City, a provincial government spokesman said here today.

Close to the provincial capital, Wuhan, Xiaogan enjoys convenient communication conditions and an abundant supply of farm produce.

The development zone will cover 31 sq km, and new industries to be developed include automobiles, electronics and optical technology.

The provincial government expects to attract foreign capital for the new industries.

Chen Jian, vice-mayor of Xiaogan, said the city is speeding up the construction of infrastructural facilities to meet the needs of foreign investors.

He said the city now has an ample power supply.

According to Chen, more than 30 businesses from Japan, Thailand, Hong Kong and Taiwan have shown interest in the development zone and sent inspection groups to the city.

Southwest Region

Yang Rudai Views Sichuan Agricultural Development

HK1302071790 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 11 Feb 90

[Text] The question of how to push ahead with Sichuan's agricultural development in 1990 has become a hot topic for discussion among all the deputies to the Sichuan Provincial People's Congress. Yesterday morning, Yang Rudai, secretary of the Sichuan Provincial CPC Committee, joined the Leshan deputies to the Sichuan Provincial People's Congress in discussing ways and means to promote Sichuan's agricultural development.

After conscientiously listening to the views expressed by the Leshan deputies, Comrade Yang Rudai gave his own views on Sichuan's agricultural development.

Comrade Yang Rudai said that Sichuan is one of China's big agricultural provinces. Maintaining stability in Sichuan's rural areas is the basis for maintaining political stability and social stability throughout Sichuan. The key to maintaining stability lies in correct policies. For instance, policies regarding specialized households in the rural areas, policies regarding township and town enterprises, and policies regarding the purchase of farm products must be further stabilized. In the meantime, redoubled efforts must also be made to further popularize agriculture-oriented science and technology in Sichuan's rural areas. It is also necessary to promote agricultural development by relying more on science and technology so as to reduce Sichuan's agricultural input and to increase agricultural output.

Comrade Yang Rudai also emphatically pointed out that the key to Sichuan's agricultural development lies in strengthened leadership over agriculture. To this end, leaders and the appropriate departments at all levels must shift the focus of their work in 1990 to agricultural development in order to create a fine atmosphere for

agricultural development in 1990. Leaders and the appropriate departments at all levels must make unrestrained efforts to support agricultural development instead of causing difficulties for Sichuan's agricultural development. To this end, party and government organs at all levels in Sichuan must make continued efforts to improve their work style and actively render services to agricultural production and to the grass-roots levels.

During the panel discussions, Comrade Yang Rudai also particularly stressed the important propaganda role played by radio and television and expressed the hope that the broad masses of peasants in Sichuan's rural areas will listen and watch more radio and television programs. Thus they will be able to obtain timely information leading to prosperity and to know more ways and means of bringing prosperity to them and of helping them develop the rural economy at a faster pace.

Yang Rudai Attends Sichuan CPPCC Plenum

HK0902155190 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 8 Feb 90

[Excerpts] The third plenary meeting of the sixth provincial Chinese People's Political Consultative Conference [CPPCC] was solemnly opened this morning in the Chengdu Military Region auditorium. At 0830 [0030 GMT], 705 members of the provincial CPPCC from various fronts entered the conference hall in proper order. On the rostrum, colorful flowers and verdant pine leaves made the emblem of the CPPCC dazzlingly brilliant. A large banner hanging on the wall behind the rostrum read: "Closely unite around the CPC Central Committee to strive for the fulfillment of various tasks assigned by the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee." The whole conference hall was filled with an atmosphere of unity, enthusiasm, and democracy.

Chairman of the provincial CPPCC Liao Bokang, and Vice Chairmen Wang Lizhi, Liu Chunfu, and Wu Hanjia, presided over today's meeting. Those seated on the rostrum included Vice Chairmen of the provincial CPPCC Wang Yu, (Wang Shuyun), Kongsu Yiduo, Feng Dashi, Xin Wen, Li Peigen, Yang Daidi, Yangling Doje, Chen Zhuxiang, Jiang Zeting, Secretary General Li Zhi, and members of the provincial CPPCC Standing Committee.

Those invited to attend the meeting and seated on the rostrum included leading comrades from the provincial CPC committee, Chengdu Military Region, provincial Advisory Commission, provincial Discipline Inspection Commission, provincial People's Congress, provincial government, and provincial Military District, Yang Rudai, Fu Quanyou, Zhang Haoruo, (He Haoji), Feng Yuanwei, Song Baorui, Xu Chuan, Gao Shuchun, Xie Shijie, (Qin Yiqin), (Hu Yongkang), Wang Ao, Zhaxi Cering, Deng Zhili, Bai Shangwu, Liu Haiquan, Song Dafan, Luo Tongda, Jin Hongsheng, (Yan Jijian), and others. [passage omitted]

Hu Attends Tibet Women's Affairs Meeting

*HK1102062490 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 9 Feb 90*

[Excerpts] A regional work conference on women's affairs concluded in Lhasa on 9 February.

Regional party committee Secretary Hu Jintao and Deputy Secretaries Raidi and Basang attended. [passage omitted]

On behalf of the regional party committee, Deputy Secretary Basang delivered a speech. He pointed out: In the past year, women of our region played a role in holding up half the sky in stabilizing the political situation and in carrying out economic construction under the guidance of women's federations at different levels. They proved themselves to be a mighty force in driving the progress of the whole society. In the political struggle between splittism and anti-splittism, he noted, workers engaged in women's affairs should be sober-minded, [words indistinct] and take a clear-cut stand in waging struggle against splittists. Workers in women's affairs should conduct patriotic education that mainly aims at maintaining the reunification of the motherland, strengthening the unity of all nationalities, and opposing splittism and retrogression. Women of our region should give full play to the role of holding up half the sky and should make new contributions to a stabilized political situation. [passage omitted]

Regional party committee Secretary Hu Jintao delivered a speech at the meeting, too, calling on party committees and women organizations at different levels to do their relevant work well. [passage omitted]

Hu Attends Tibet Bank Officials Conference

*HK1202081790 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 10 Feb 90*

[Excerpts] The Tibet Regional Conference of Branch Chiefs of the People's Bank of China was convened in Lhasa City on 9 February.

The conference was attended by the chiefs of various prefecture, city, and county branches of People's Bank, and the responsible leaders of various appropriate departments.

Hu Jintao, secretary of the Tibet Autonomous Regional CPC Committee, and Puquang, vice chairman of the Tibet Autonomous Regional People's Government, attended the conference and delivered important speeches.

In his speech, Comrade Hu Jintao said that over the past year, the broad masses of the staff and workers on Tibet's financial and banking front have steadfastly implemented the principle formulated by the CPC Central Committee and the State Council on improving the economic environment, rectifying the economic order, and comprehensively deepening the reform. The broad

masses of the staff and workers also implemented to the letter the guiding ideology stated by the Tibet Autonomous Regional CPC Committee on grasping both stability and economic construction at the same time; withstood the severe test during the period when disturbances broke out in Lhasa and when counterrevolutionary rebellion broke out in Beijing; and achieved marked results in strengthening regional financial management, rectifying regional financial order, and invigorating regional financial work. Regional finance has also actively given its support to the development of agricultural and animal husbandry productions, as well as to the lateral cooperation and associations between Tibet and other provinces and regions in China. Thus regional finance has given a powerful impetus to economic development. All these achievements have epitomized the hard work done by the broad masses of the staff and workers on the regional financial and banking front.

He said that the Tibet Autonomous Regional CPC Committee and Government fully affirm these great achievements. He expressed appreciation and extended thanks.

He pointed out that all the appropriate departments and comrades must attach great importance to financial work and give full play to the role played by various banks in the furtherance of economic work. Without the financial support, it would be impossible for the socialist commodity economy to witness further development. The development of financial undertakings will in turn greatly promote economic development. While the socialist commodity economy is being developed further, the position and role played by regional financial work will probably be strengthened. Therefore, Tibet's financial work should be aimed at promoting stability and economic development. All the departments and comrades engaged in the work must fully understand its importance and carry it out by firmly adhering to the spirit of the Fifth Plenary Session of the 13th CPC Central Committee and to the spirit of all the important instructions issued by the CPC Central Committee with regard to the work of Tibet, and by adhering to "one center, two basic points," this being the important guiding ideology.

He said that in order to push ahead with financial work, efforts must also be made to implement the "double tightening" principle with regard to the regional credit and loan work in light of realities. Nevertheless, a certain degree of flexibility must be exercised in such a process so as to maintain a sustained regional economic development.

He said that the Eighth Enlarged Plenary Session of the Third Tibet Autonomous Regional CPC Committee convened last year made it clear in no uncertain terms that agriculture and animal husbandry form the foundation of the economy. The further development of them demands not only correct policies and advanced science and technology, but also increased input.

To this end, redoubled efforts must be made to readjust regional credit and loaning structure; to increase the utilization rate of credit and loan funds; to strengthen the supervision and management of funds; and to rectify the regional financial and banking order.

He said that in order to successfully accomplish all these tasks, it is necessary to foster a professionally competent and politically qualified contingent of financial staff and to strengthen ideological and political work among the broad masses of the financial staff and workers. He also said that it is necessary to strengthen the building of various CPC organizations, trade union organizations, CYL [Communist Youth League] organizations, and women's organizations in all the financial and banking undertakings in Tibet. [passage omitted]

North Region

Beijing Postpones Deputies Elections

OW1002012090 Beijing XINHUA in English
1334 GMT 9 Feb 90

[Text] Beijing, February 9 (XINHUA)—Election of deputies to the 8th county and district level people's congresses in Beijing, which takes place every three years here, will be postponed from June to the fourth quarter of the year.

The decision was made at the 18th session of the Standing Committee of the Beijing Municipal People's Congress Thursday in order to concentrate manpower and energy on preparing for the 11th Asian Games scheduled for September 22 in the Chinese capital.

An official of the local election office said that, to ensure the success of the 11th Asian Games and the Beijing census, which will be taken in the first half of the year, the municipal committee of the Communist Party of China suggested a delay.

According to China's election law, the procedure for election of deputies to grassroots congresses takes at least three months.

Inner Mongolia's Wang Qun Helps Hohhot Firms

SK1302023190 Hohhot Inner Mongolia Regional
Service in Mandarin 2300 GMT 9 Feb 90

[Text] On the afternoon of 8 February, Wang Qun, secretary of the autonomous regional party committee, sponsored an on-the-spot official meeting in the city of Hohhot to help the city's enterprises deal with the problems concerning (the shortage of funds) and the marketing slump.

During the meeting, after hearing the briefing given by Yi Junhua, secretary of the Hohhot City party committee, on the shortage of funds encountered by the wool mills in purchasing their raw materials, Comrade Wang Qun immediately instructed the participating responsible comrades from the regional people's bank and the

regional industrial and commercial bank to give a helping hand to solving this problem at once. They immediately decided to grant 20 million yuan of loans at the meeting for these enterprises. He urged the financial departments to refrain from adopting a wait-and-see attitude and to develop their funds to cope with the difficulties.

In referring to the issue of how to help enterprises overcome their difficulties, Comrade Wang Qun stated in his speech the following three opinions: 1) Efforts should be made to readjust the product structure, to turn out products which enjoy brisk sales, and to upgrade the enterprise capability of mutual (?assistance). 2) Efforts should be made to enhance enterprise internal management, to strengthen the ideological and political work among staff members and workers, and to rely on the working class in pooling the wisdom and effort of everyone for development. 3) Efforts should be made to expand sales and to improve the sale channels by adopting the method of achieving small profits but quick turnover, and to pay attention to developing and utilizing information by enhancing the cooperation with the coastal and advanced provinces so as to enable the enterprises to turn out more products and to have their products enter markets both at home and abroad.

Wang Qun Inspects Inner Mongolia Relief Work

SK1302001390 Hohhot Inner Mongolia Regional
Service in Mandarin 2300 GMT 10 Feb 90

[Text] During the lantern festival, Wang Qun, secretary of the autonomous regional party committee, led responsible persons from appropriate departments deep into areas in the Ulanqab League, which suffered the worst natural disasters in 1989, to do good deeds for the disaster-stricken people.

During his inspection tour, Comrade Wang Qun discovered that the league's disaster relief work was sturdy and meticulous. He urged the league's leading personnel at all levels to apply the experience gained in combating disasters and conducting disaster relief work to improve their production conditions; to develop production; and to bring about a change in their backward situation. Comrade Wang Qun urged leading personnel at all levels to mobilize party members and all the people to make concerted efforts to produce a good agricultural harvest this year. Cadres at all levels should go deep into the grass-roots level to do a good job in rendering services. The masses of various localities should also rely on themselves to put an end to poverty and difficulties. Comrade Wang Qun also stressed that poor areas should rely on science and technology to improve their poor situation. He urged cadres at all levels to utilize science and technology well. He urged them to lead vast numbers of people to do a good job using science and technology in order to make agriculture flourish. In fulfilling these tasks, attention should be paid to the following points: 1) Efforts should be made to use scientific and technological measures that are suitable for local conditions; to use

the limited supply of fertilizer and fine seeds mostly on good quality farmland. 2) Efforts should be made to have party and Communist Youth League [CYL] members take the lead in the operation to provide an organizational safety net for the operation. 3) A good job should be done in rendering comprehensive services prior to production, in production, and after production. Cadres and technical personnel on the scientific and technological front should go to the grass-roots level to sign production contracts with rural areas, at which time targets and tasks should be clearly set. Comrade Wang Qun stressed teamwork in particular. He stated that the more difficulties we encounter, the better teamwork we need. He stated that only by doing our utmost and by making concerted efforts can we overcome difficulties and lead several million people throughout the league onto the road to wealth.

Shanxi CPC Plenum Concludes 25 Dec

HK0902033390 Taiyuan SHANXI RIBAO in Chinese
26 Dec 89 p 1

[Report by reporter Li Xiangmin (2621 4161 3046):
"The Eighth (Enlarged) Plenary Session of the Fifth
Provincial Party Committee Ends"]

[Text] The 5-day eighth (enlarged) plenary session of the fifth provincial party committee ended in Taiyuan yesterday [25 December].

After serious discussions and repeated revisions, the meeting approved the "Proposal of the Shanxi Provincial CPC Committee on Implementing the Decision of the Central Party Committee on Further Improving the Economic Environment, Rectifying the Economic Order, and Deepening the Reform." It also approved a decision on filling the vacancies of provincial party committee members in the proper order. On behalf of the provincial party committee standing committee, Secretary Li Ligong gave a speech on how to profoundly study the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee and how to implement the "Proposal for Implementation." The speech was entitled "Reach a Consensus, Strengthen Confidence, Unite in Struggle, and Resolutely Fulfill the Tasks of Economic Rectification and In-Depth Reform." Governor Wang Senhao chaired yesterday's meeting.

The meeting was guided by democratic centralism. It was a lively and successful meeting, filled with a democratic atmosphere. Cadres at the meeting stressed seeking truth from facts, uniting as one, and making coordinated efforts. It was a meeting to offer ideas and to consider ways for the success of economic rectification and in-depth reform in our province, and it was a meeting to rouse enthusiasm, to strengthen confidence, and to promote further improvement in our province's economic situation.

The cadres at the meeting agreed that the problem that should first be resolved is to have a correct understanding of the current economic situation. They also

agreed that it is necessary to fully affirm the achievements; to accurately assess the difficulties; to take note of the favorable conditions for overcoming them; and to strengthen confidence. Since the reform and opening up 10 years ago, profound changes have taken place in our province. We have achieved tremendous successes in economic construction. In the course of development, however, difficulties and problems have also accumulated over the years. Leaders at all levels must have a deeper understanding of the necessity and urgency of economic rectification. Not only should we fully assess the seriousness of the problems in the economic work, but we should also take note of the many favorable conditions for overcoming the difficulties. We should not treat the difficulties lightly, nor should we be worried as a result of them. We should strengthen our confidence in making a success of economic rectification. The difficulties in our province's economic work are ones in the course of advance. As long as the people across the province and both inside and outside the party are united as one and resolutely implement the central "decision," we will certainly be able to overcome difficulties and bring the national economy onto the path of sustained, stable, and coordinated development.

The "Proposal for Implementation" passed by the meeting pointed out: In the 3-year period of economic rectification, the guiding principle of our province's economic work is as follows: Resolutely implement the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee. While continuously controlling the total amount and focusing on improving the economic structure, strengthening the agricultural foundation, promoting scientific and technological advances, and improving the economic results, it is necessary to further improve the economic environment; rectify the economic order; deepen the reform; overcome the current economic difficulties; attain a sustained, stable, and coordinated development of the national economy in our province; and create a relatively good environment for the building of energy and heavy chemical industry bases and for the efforts to rejuvenate Shanxi and make the people rich. The main targets of our economic rectification are to control inflation; maintain suitable economic growth and steady agricultural development; increase coal and electricity output and effective market supply; ensure a balance between financial receipts and expenditures; keep the credit scale within the plan; and strive to improve economic results.

It is necessary to fully understand the special, important status of agriculture in achieving economic, political, and social stability. Party committees and governments at all levels should concentrate their main energy on running agriculture well and, while giving priority to the production of such major farm produce as grain, cotton, and oil-bearing crops, achieve the all-round development of agriculture, forestry, animal husbandry, sideline occupations, and fisheries. Efforts should be made to stabilize and improve the party's rural economic policy and continuously deepen rural reform. All sectors

should increase input in agriculture; rely on scientific and technological progress to vitalize agriculture; step up the building of agricultural infrastructural projects; energetically carry out agricultural comprehensive development; strengthen comprehensive, coordinated service to agriculture; accelerate the growth of the agricultural-support industry; continuously help impoverished areas develop production; and, with the rural areas as the focus, firmly grasp planned production work. We should stress energy construction and vigorously improve the industrial internal structure. It is necessary to strengthen energy industry; increase staying power; energetically readjust the product mix; rationalize the production structure; bring into full play the backbone role of large and medium-sized state enterprises; and, in line with the principle of readjustment, rectification, transformation, and improvement, guide and support township and town enterprise to develop in a steady and healthy way. We should open up all avenues and appropriately solve the question of labor employment.

We should persist in placing education, science, and technology in a strategic position of priority development and rely on science and technology to vitalize the economy. Improving the economic results through technological progress should be taken as an important idea in future economic work. It is necessary to speed up the shift of scientific research achievements to productive forces; step up the development of new products; promote the renewal of products; quicken the pace of enterprise technological transformation; strengthen the assimilation of imported technologies; increase the enterprise technological development capability; and firmly grasp the education of on-the-job employees. The principle we must uphold in economic work is to take the improvement of economic results as the key link. All enterprises, as well as competent economic departments, must be determined to reverse the operational idea of exclusively relying on increased output value and higher prices to increase income. The principal tasks of rectifying economic order in our province are to stress the management of commodity prices, coal transport and sales, and material circulation; to reorganize the wholesale of consumer goods; to gradually remove the confusion in circulation field; and to try by every possible means to enliven circulation.

It is necessary to unswervingly and continuously deepen the reform and to expand opening up to the outside world. In 1990 and 1991, we must center the reform of our province's economic structure around the objectives of economic rectification and implement the principle of "stability, replenishment, readjustment, and improvement." Further efforts should be made to deepen enterprise reform; to continuously stabilize and improve the contracted management responsibility system with "two guarantees and one link" as the main content; to satisfactorily carry out a new round of contracted enterprise management when the contract time expires; to continuously carry out and improve the factory director (manager) responsibility system; to strengthen the political

and ideological leadership role of enterprise party organizations; to vigorously promote lateral association and economic and technological cooperation among enterprises; to gradually set up macroeconomic regulatory and control system at the provincial level, to guide the individual and private economy to develop in a healthy way; to continuously open to the outside world; and to develop foreign trade and economic and technological cooperation.

The cadres at the meeting stressed that strengthening party leadership is a fundamental guarantee for overcoming difficulties and fulfilling the task of economic rectification and in-depth reform. The key to strengthening party leadership is to bring into full play the role of party organizations at all levels as fighting bastions, and of the vanguard exemplary role of party members. Conscientious efforts should be made to step up party building in terms of ideology, organization, and work style in order to raise the combat effectiveness, unifying force, and appeal of party organizations. Party organizations at all levels must bring into full play their political superiority, unite the vast numbers of party members and people, and, with one heart and one mind, conscientiously do a good job of economic rectification and in-depth reform. During the period of economic rectification, it is essential to strengthen centralized and unified leadership, enforce party discipline, and oppose departmentalism and decentralism. Party organizations and governments at all levels must attain a high degree of political unity with the party Central Committee and obey unified state and provincial orders on major policy decisions. It is absolutely impermissible not to enforce orders and prohibitions or to counter policies from higher levels with their own policy measures. Those who go their own way and refuse to obey orders must be severely criticized. Conscientious efforts should be made to grasp the building of a clean government and to resolutely eliminate corruption. Leading party and government organs at all levels must straighten out the party work style; make conscientious efforts to do practical work welcomed by the masses; take the lead in leading a frugal life; wholeheartedly serve the people; carry forward the party's fine tradition; energetically encourage the practice of conducting investigations and studies; and overcome bureaucratic style. Communist Party members and the people throughout the province should arouse enthusiasm, strengthen confidence, unite as one, and strive for an all-round victory in economic rectification and in-depth reform to rejuvenate Shanxi, make the people rich, and vitalize the Chinese nation!

Members and alternate members of the provincial party committee attended the meeting. Over 500 people attended the meeting as observers, including members of the provincial Advisory Committee and Discipline Inspection Committee; responsible comrades of the provincial People's Congress, people's government, and the Chinese People's Political Consultative Committee who are party members; secretaries of prefectural and city party committees, commissioners, or mayors; secretaries

of county party committees and magistrates; and secretaries of leading party groups or party committees of departments, commissions, offices, provincial departments, and bureaus directly under the provincial authorities and of mass organizations.

Li Ligong Addresses Shanxi Rural Work Meeting

HK0802012990 Taiyang SHANXI RIBAO in Chinese
27 Dec 89 p 1

[Report by reporter Lan Yanping (5695 3508 1627): "Secretary Li Ligong Addresses Provincial Rural Work Conference"]

[Text] The Shanxi provincial conference on rural work opened in Taiyang yesterday morning. Provincial party committee Secretary Li Ligong delivered an important speech, entitled "Be Mobilized, Work in Concerted Efforts To Strive for the Province's Agricultural New Breakthrough Next Year." Comrade Li Ligong stressed: If we are to elevate Shanxi's agriculture to a new plane next year, it will be primarily necessary to further unify our understanding that agriculture is the base for resolving the issue of raising our consciousness to a new level.

The main essences of the current meeting are to implement the spirit of the recently convened national conference on exchanging experiences in comprehensive agricultural development; to analyze the province's situation in agricultural production; and to formulate measures for increasing grain and cotton output in 1990. Governor Wang Haosheng presided over the meeting yesterday, with participation of all the provincial party committee members and vice governors in Taiyuan. Attending the meeting were some 310 cadres, including party committee secretaries, commissioners, mayors, and county governors from various prefectures, cities, and counties as well as responsible comrades of agricultural office and relevant departments directly under the provincial authorities.

In his speech, Comrade Li Ligong devoted almost half the space to discussing the better unification of the understanding of agriculture as the base, which will solve the issue of raising our consciousness to a new level. He said that agriculture is an industry that has a bearing on the country's stability. Agriculture is the base for the steady development of the entire national economy. We have learned from experiences accumulated over the past 40 years that we have boosted agriculture up every time we readjusted the national economy to resolve the dislocation of industry and agriculture; consequently, economic, political, and social stability was realized. Recently, all localities have already begun to pay attention to leaning toward agriculture in their minds and ideology and work. However, not all localities, departments, cadres, and masses have sufficient understanding of agriculture as the base. Our current meeting is to further unify such understanding in accordance with the spirit of the Fifth Plenary Session of the 13th Central

Committee, so that everyone's consciousness may be elevated to a higher level on the existing basis and be truly mobilized. All prefectures, cities, and counties, all trades and professions, should be mobilized, and grass-roots cadres and peasants should be mobilized, too, so that our province will attach more importance to developing agriculture and will support it.

On the basis of reviewing the 10-year progress of the province's agriculture and of summing up the experiences and lessons during this period, Comrade Li Ligong stressed the following points: Under any circumstances we must firmly establish the guiding idea of agriculture as the base, and we must implement this guiding idea in practical work. It is imperative to give full play to the peasants' enthusiasm for production, and keep such enthusiasm running high. It is imperative to face squarely the reality of the ups and downs in the province's agriculture; to always adhere to developing agriculture by fighting against drought to improve comprehensive agricultural productive capabilities; and to gradually create the material conditions for steady agricultural development. It is imperative to adhere to the guiding idea of harmonious development of the rural economy; and to continue to reasonably readjust the product mix and develop the secondary and tertiary industries under the prerequisite of guaranteeing the steady growth in grain and cotton output. All trades and professions should show concern for and support agriculture, and agricultural development should be developed by relying on the strength of the whole society.

In discussing rural policies and reform, Comrade Li Ligong said that the stabilization of policies is a matter of first importance in the present rural work. It is imperative to improve the standards of leading cadres at all levels in implementing policies, and to augment the self-consciousness of implementing stable rural policies. It is necessary to improve, complete, and perfect the deviations and shortcomings in implementing rural policies through in-depth reform under the prerequisite of stability.

In speaking of earnestly augmenting the party committee's leadership in agriculture, Comrade Li Ligong stressed that major leading cadres at prefectural and county levels should focus their energy on grasping agriculture; party committees and governments at all levels should work in close cooperation and combined efforts to grasp agriculture. It is necessary to go deep into reality, establish close ties with the masses, and improve work style in a down-to-earth way. It is necessary to augment the building of grass-roots party cells and leading bodies, and to work hard to improve the qualities of grass-roots cadres. Comrade Li Ligong also talked about some major measures to be adopted to realize a new agricultural breakthrough in 1990:

1. The provincial party committee has decided that every county party committee should appoint a deputy secretary to be in charge of agriculture to strengthen the party committee's leadership in agriculture.

2. The provincial party committee has decided that, beginning with 1990, some 15,000 cadres from party and government organs, people's organizations, and some institutes at and above county levels will go down to the rural areas to help in their work. The system of cadres going down to the rural areas should be followed every year for a long time, and the cadres will be sent there in different periods in batches, on an annual rotational basis.

3. In accordance with central requirements, whether or not grain, cotton, and other major farm and sideline produce will come up, whether or not staying power is added to agriculture, should be regarded as the major criteria for checking leading cadres at all levels; and these are the important essences to judge whether or not the work of a locality is advanced.

4. The provincial party committee requires leading cadres at county level to spend 6 months or more each year in grasping agriculture. Leading cadres at all levels must adhere to the system of working at a selected spot for investigation and study. Every leading member of county party committees and government must have his own selected spot. This should be carried out earnestly, but not superficially.

5. The provincial party committee has decided that universal rectification of rural grass-roots party cells and leading bodies should be conducted at the turn of this winter and next spring, with a focus on those party branches that are weak and lax, paralyzed or semi-paralyzed.

Besides, Comrade Li Ligong also made the following announcement: The provincial party committee and government have decided that investment in agricultural capital investment inside the 1990 plan will be increased by 325.4 million yuan from 1989, and that the financial spendings in agricultural production will be increased by 27 million yuan from 1989; the total of the two items is 62.4 billion yuan.

Governor Speaks

HK0702154590 Taiyuan SHANXI RIBAO in Chinese
29 Dec 89 p 1

[Report by reporter Lan Yanping (5695 3508 1627): "Provincial Rural Work Conference Concludes; Wang Senhao and Guo Yuhuai Made Speeches Calling for Conscientious Implementation of All Measures for Making New Breakthroughs in Agriculture"]

[Text] The three-day provincial rural work conference concluded yesterday in the capital of the province. Governor Wang Senhao and Vice Governor Guo Yuhuai each made speeches calling on the cadres, the masses, the industries, and the services of the whole province to organize themselves to strengthen agriculture and, with a unanimous mind and a concerted effort, to strive for realizing new breakthroughs in the agricultural development of our province.

Over the last three days, the attendees at the conference analyzed our agricultural situation and, on the basis of the analysis, seriously discussed how to make agricultural improvements and to launch agriculture on a new level. They also made very good proposals concerning the implementation of the spirit of the conference and of the various measures set by the provincial party committee and government. During the session, 17 prefectural, city, and county delegates made speeches exchanging their experiences in developing agriculture and future plans, which provided very great enlightenment to the participants of the conference.

At yesterday's session, Wang Senhao made a speech entitled "Mobilize To Strengthen Agriculture and Realize New Breakthroughs in the Agricultural Development of Our Province." He pointed out in his speech that the strengthening of agriculture is the most important job for party committees and governments at various levels. A stable party's rural policy is the key for agricultural development; the increase of inputs is an important guarantee for realizing new agricultural breakthroughs; relying on scientific technology is the fundamental way in bringing prosperity to agriculture; and the strengthening of agriculture is a common task for all industries and services. He said that there must be new breakthroughs for agriculture. Breakthroughs are a necessity to greatly increase inputs and raise integrated productive power. The provincial party committee has decided to take agricultural water conservancy works and agriculture-supporting industries as the focus of investment. Investment in this area will amount to 200.75 million yuan, of which 156 million will be for agricultural investment, up 3.6 percent over this year. The rural collective economy and the masses of peasants are the main body for agricultural inputs. Party committees and governments at various levels must actively advocate and organize peasants to increase inputs and labor reserves for agriculture and, while doing a good job in grasping capital and labor inputs, grasp well the inputs of various agricultural materials. Comrade Wang Senhao asked all departments to understand fully the strategic role of agriculture in realizing economic, political, and social stability; to heighten the initiatives to support agriculture; to know the position and functions of one's department in agricultural development; to formulate practical and workable specific policies to support and vitalize agriculture; and to spare no effort in implementing these policies, so that across the province, departments and areas can be integrated in such a way that hierarchical coordination, with a unanimous mind and a concerted effort for developing agriculture, will be possible.

Vice Governor Guo Yuhuai revealed in his speech the arrangements for the provincial agricultural production and rural work next year. He said that the reason for using the term "new breakthroughs" is that there is a necessity to undergo several years of arduous efforts to ensure that conventional and experimental agriculture and all aspects of the rural economy enter a new stage;

that integrated productive power receive mainly capital, material, and technological inputs; that resistance against natural disasters be greatly improved, relatively speaking; that the land productive ratio, labor productive ratio, commodity rate, and economic returns see large growth; and that crop per unit area yields, gross grain, oil and cotton production, and gross income in the rural economy progress to a new level. Comrade Guo Yuhuai specifically mentioned 10 measures to realize new breakthroughs: 1) Stabilizing the growing areas of grain, oil, and cotton to preserve peasants' production motivation and the guarantee that the gross production plans of chief crops, such as grain, oil, and cotton, be fulfilled. 2) One level must be in charge of another to increase agricultural inputs and to squeeze money and raise funds from every possible channel and means. There must be effective management and supervision over various investment items in order to show genuine preference for agriculture. 3) The revitalization of agriculture by means of scientific technology will be an important strategic mission. With high production yields and the resolution of key issues as the targets, and with the practice of group contracts as the chief method, we will concentrate on seed revolution as points of breakthroughs and import packages of available suitable technology after having combined the technology and established it in a complete set. 4) There must be multiple supply origins for agricultural production materials, improvement of the methods of monopolistic operations, continued price stability, and the guarantee that agricultural seasons are not missed. 5) Insistence on efforts to fight droughts and to revitalize agriculture. Both irrigated agriculture and dry-farming crops will be grasped simultaneously, and there must be both drought and waterlogging prevention work at the same time. Spare no efforts in changing the basic conditions for agricultural production. There must be good, continued, and practical grasp of the capital construction of agricultural water conservancy. 6) Equal attention to the transformation of medium- and low-yielding fields and the pursuit on an expansion of the exploitation of new resources, and the vigorous advancement of the extension of integrated agriculture. 7) Heightened attention to and the grasping, in a practical manner, of animal husbandry and forestry work, promoting a coordinated agricultural development. 8) Resolutely developing township and town enterprises and leading them toward a steady, coordinated, and healthy development. 9) Poverty aid work must win the latest round in the tough war of resolving the problems of having enough to eat and wear and of progressing promptly to the stage of regional development. 10) The improvement of the combination of central control and the division of labor, and the two-tier operation and strengthening of the building of the social service system. Comrade Guo Yuhuai asked governments at various levels to grasp the vital links and to focus on the grass-roots levels, which are the most common types. The governments at various levels must coordinate the transfers and control in organizing and commanding rural production next year.

Provincial party committee Secretary Li Ligong presided over yesterday's morning session and made an impromptu speech at the conclusion of the conference. He said that to realize the new breakthroughs in the agriculture of our province, we must strengthen rural ideological and political work. Some comrades have suggested another round of emphasis on this issue. This is a very good suggestion. We must take over and consolidate the rural areas as socialist fronts. We must educate the peasants to strengthen the socialist concept, and not to fall into the illusion that since there are land contracts, rice to eat, clothes to wear, and money to spend that everything is solved. The more production develops and the better the livelihood becomes, the higher should be our socialist consciousness. There are still difficulties facing us. On what do we rely to overcome them? On the socialist consciousness, which is where our cohesive power lies, and which also is the core of our ideological and political work.

Shanxi Holds Organization Chiefs Meeting

HK0802071190 Taiyuan SHANXI RIBAO in Chinese
9 Jan 90 p 1

[Report by unnamed staff reporter: "Provincial Conference of Organization Chiefs Held in Taiyuan"]

[Text] The provincial conference of heads of organization departments was held in Taiyuan yesterday.

Lu Gongxun, deputy secretary of the provincial CPC committee and head of the Organization Department, made a report; Zhang Weiqing, Zhang Bangying, and Yu Hongli, Standing Committee members of the provincial CPC committee, attended the conference. The conference was chaired by Zhang Dechun, deputy head of the Organization Department of the provincial CPC committee.

In 1989, the organization work in our province initially formed a macroclimate in which the whole party grasped the construction of the party. The basic tasks from now on are: Continue to implement the spirit of the fourth and fifth plenary sessions; seriously carry out the notice on strengthening party building issued by the Central Committee; and with the key point of strengthening the construction of the leadership group and grass-roots party organs, vigorously upgrade the political quality of the party member contingent and cadre contingent, so as to provide guarantees in terms of the organization for various tasks, such as developing the economy, stabilizing the situation, accomplishing rectification and improvement, and deepening the reform.

It is necessary to continue the implementation of the policy of "four modernizations" for cadres in an overall and correct way, and of the principle of ability plus morality. When examining and selecting cadres, we must insist on putting revolutionization in the first position. We must pay attention to the stand of cadres, as well as their minds, characters, leadership abilities, and practical achievements in work. We must avoid and correct

the tendency to overemphasize age and diplomas. We cannot replace the principle of ability plus morality by the "productivity standard," and we must avoid stressing ability but not morality. Those who are not strong politically cannot go to the leadership group, nor can they serve as major leaders; for those who have entered the leadership group, they must be resolutely readjusted. We must seriously strengthen construction of the work style and ideology of the leadership group. We must seriously study Marxist philosophy, uphold the democratic principle, and have grave concern for grasping unity among the leadership group. For those who ignore the overall situation, and who oppose unity after patient persuasion, they must be resolutely readjusted or dismissed immediately. We must do well the election work for the succession of the leadership group, and the work in the cadres reserve, so as to strengthen the construction of the leadership group in terms of organization. We must strengthen construction of the party's grass-roots organs. The party organs within enterprises must pay attention to and stress three problems: First, the party organs within enterprises must understand their own major duties and tasks. Second, the relations between the party organs within enterprises and the administrative leadership must be properly handled. Third, the construction of party organs themselves within enterprises must be done well. The critical point in strengthening the construction of grass-roots party organs in the rural areas rests on building the leadership group of party branches, and, in particular, on selecting secretaries of party branches. It is expected that the conference will end on 12 January.

Northeast Asia

Heilongjiang's Sun at Standing Committee Meeting

SK0902014190 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 8 Feb 90

[Text] After the issuance of the CPC Central Committee's opinion on adhering to and maximizing the effectiveness of the system of multiparty cooperation and political consultation under CPC leadership, the provincial party committee has immediately convened a standing committee meeting to conscientiously study and discuss it. The standing committee members unanimously considered this opinion as a programmatic document for making the united front work a success during the new period.

This standing committee meeting was presided over by Sun Weiben, secretary of the provincial party committee. Present at the meeting as observers were principal leading comrades of the provincial advisory commission, the provincial people's congress standing committee, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], and the provincial discipline inspection commission; as well as responsible comrades of pertinent departments directly under the provincial authorities.

The comrades participating in this meeting unanimously maintained: Conscientiously studying and implementing the guidelines of this document is of great immediate and far-reaching significance in promoting our country's political structural reform, in strengthening the building of socialist democratic politics, in organizing closer cooperation between the CPC and various democratic parties, in giving full play to the role of various democratic parties, in adhering to the CPC leadership, in opposing bourgeois liberalization, and in resisting the peaceful evolution advocated by the international hostile forces towards our country.

The meeting emphatically pointed out: Party committees at all levels as well as all democratic parties and people's groups must conscientiously study and profoundly comprehend the essence of the guidelines of this document; must deeply understand the characteristics and advantages of this basic political system; must fully understand the position and role of various democratic parties; and must further define the common task of the CPC and various democratic parties, the political foundation and basic principles for the cooperation between the CPC and various democratic parties, the basic guiding principles for the activities of the CPC and democratic parties, and the forms and basic requirements of the consultation.

The meeting called on the provincial people's congress, the provincial government, the provincial CPPCC committee, and various democratic parties to set forth their respective opinions for implementing this document in line with the guidelines of the document of the party Central Committee, and to do a good job in disseminating this document.

Heilongjiang Capital Appoints Acting Mayor

SK1202012290 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 10 Feb 90

[Text] The 17th meeting of the Ninth Harbin City People's Congress Standing Committee concluded on 10 February. During the meeting, the participating members approved the resignation of Mayor Gong Benyana and a resolution appointing Zhang Delin acting mayor of the Harbin City People's Government. They contended that Zhang Delin was formally recommended by the city in an acting capacity for the post in the people's government and that he is qualified. They also contended that the request submitted by Comrade Gong Benyan was proper because it was in line with relevant regulations with regard to resigning—because of his aging condition—from his post as mayor to the standing committee of the city people's congress. After carrying out an earnest examination and discussion, the participating members approved the resignation of Gong Benyan. It was brought out at the meeting that Comrade Gong Benyan had exerted himself in all-out efforts, had fulfilled his duties, and had done a great deal of work by being the principal organizational person in charge of the city's economic tasks and social development over the

past five years. It was also brought out that he had made great contributions and scored marked achievements in enhancing the reserve strength of economic development; in having the people receive practical benefits; in conducting renovations among outdated enterprises; in developing the export-oriented economy; in carrying out basic urban construction; and in fulfilling the undertakings of water supply, road construction, housing affairs, vegetable production, and power supply which the people had been very concerned about. People throughout the city will never forget him.

Heilongjiang Issues New Tax Regulations

OW1002011290 Beijing XINHUA in English
1030 GMT 9 Feb 90

[Text] Harbin, February 9 (XINHUA)—Tax departments at all levels in northeast China's Heilongjiang Province recently drew up new tax regulations covering barter traders.

According to the regulations, barter trade should be registered like other businesses: Products which go out will be taken as sold and those which come in will be considered as bought.

The regulations are aimed at eliminating tax evasion by enterprises which have resorted more and more to barter trade in face of slack markets.

Jilin Leader Addresses Cadre Mobilization Meeting

SK1302022390 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 9 Feb 90

[Text] He Zhukang, secretary of the provincial party committee, delivered a speech on the afternoon of 9 February at the meeting sponsored by the provincial party committee and the provincial people's government on mobilizing the cadres of the provincial level organs to go to grass-roots levels.

In his speech, He Zhukang stressed that our work target and emphasis should be geared to the grass-roots level as should our motivating force and hopes in work. This urgently requires us to organize a large number of cadres to go to grass-roots level units to help them conduct work and (?deal with their basic problems).

Attending the mobilization meeting were leading personnel from the provincial party committee, the provincial advisory commission, the provincial people's congress, the provincial people's government, the provincial Chinese People's Political Consultative Conference [CPPCC] committee, and the provincial discipline inspection commission; and responsible persons from various departments under the provincial level organs.

Wu Yixia, member of the provincial party standing committee and vice governor of the province, presided over the mobilization meeting.

In his speech, Comrade He Zhukang summarized the work done before the Spring Festival in mobilizing the cadres of the provincial level organs to go to the grass-roots level and further elaborated on the great significance in encouraging cadres to go to the grass-roots level under the current situation. He stated that 1990 is a crucial year for fulfilling the tasks of improving the economic environment, rectifying economic order, and deepening the reform drive and that achieving success in the 1990 work is particularly important. Our province's current situation in both politics and the economy is stable and fine. However, we can only note that there are many difficulties and problems in our economic work. To overcome these difficulties and deal with these problems to fulfill our tasks and targets, we must trust or rely on the masses and do a good job in grasping the work at grass-roots levels and laying a solid foundation in the work. Difficulties are not frightful, and the key to overcoming these difficulties lies in having a fine state of mind, particularly in paying attention to the state of mind of cadres at all levels. We should bring into play the subjective activity of people and rely on the masses to overcome the difficulties.

In his speech, Comrade He Zhukang pointed out that the major tasks of having cadres go to the grass-roots level are to publicize and implement the spirit of the Fifth Plenary Session of the 13th CPC Central Committee and the fourth session of the sixth provincial party committee; to deeply conduct education on the situation both at home and abroad, on socialism, on patriotism, on collectivism, and on self-reliance and arduous struggle; to unify thinking and to heighten the spirit; to organize and arouse the masses to vigorously safeguard and develop the political situation of stability and unity and to adopt every possible means to fulfill the province's tasks in various fields; to deeply investigate the existing problems in the fields of society, politics, and the economy and put forward feasible countermeasures and methods for dealing with these problems; to do a good job in grasping current production; to carry out investigation and study and do a good job in fostering typical cases; to learn from the masses in their (?active understanding of politics); while improving their objective world, to improve their subjective world in ideology; and to enhance the building of the cadres' contingent among the party and government organs.

In his speech, he urged leading cadres in the organs of the provincial party committee and the provincial people's government to set examples in going deep into the grass-roots level this time; to truly settle down at the grass-roots level and live, eat, and work together with the masses; to strictly abide by the party and government discipline, take the work seriously, practice economy, and refrain from extravagance and waste, seeking personal gain by taking advantage of power, and from employing trickery; and to establish or improve the systems of appraising cadres who are qualified to go to the grass-roots level so as to gradually systematize and regularize the work in this regard.

He Zhukang Speaks at Jilin Court Work Conference

SK1302074590 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 12 Feb 90

[Text] When receiving the comrades participating in the 19th provincial court work conference on the morning of 12 February, He Zhukang, secretary of the provincial party committee, stressed: To ensure the smooth progress of China's socialist construction and the undertakings of reform and opening-up, to ensure the long-term stability and unity of the state, and to enable the people to live and work in peace and contentment, it is necessary to strengthen the procuratorial, judicial, and public security work. This work must be subject to the leadership of the CPC. These two points should never be shaken at any time.

Comrade He Zhukang said: During the past year, people's courts at all levels throughout the province exerted themselves and achieved marked results in their work, thus contributing to the stability and development of the province. Comrade He Zhukang pointed out: To truly understand the importance of strengthening the procuratorial, judicial, and public security work, we must strengthen the people's dictatorship and resolutely deal blows to enemy sabotage. Meanwhile, we should not be softhearted toward the struggle against the enemy; otherwise, there will be no end to trouble for the future.

Comrade He Zhukang emphasized: The court work should be subject to the leadership of the CPC and the socialist road. At the same time, people's courts should pay attention to building themselves, particularly to improving administrative honesty. This is the only way to gain authority and garner the support of the numerous masses. I hope that cadres and policemen of court organizations throughout the province will clearly understand the heavy task they shoulder; will conscientiously implement the guidelines of the national court work conference; and will make contributions to further stabilizing Jilin and further implementing the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee, as well as the principles of improving the economic environment, rectifying the economic order, and deepening reform.

Leading comrades Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Du Qinglin, Gu Changchun, Li Deming, Gao Yan, and Ke Muyun also attended the conference to visit the comrades there.

Northwest Region

Ningxia Holds Poverty Work Conference

HK0702151790 Yinchuan NINGXIA RIBAO in Chinese
27 Dec 89 p 1

[Report: "Regional Support-the-Poor Work Conference Ends"]

[Text] The Ningxia Hui Autonomous Regional conference on support-the-poor work closed in Yinchuan on 26 December. At the meeting, the region's experiences in support-the-poor work over the past seven years were summed up, its eight-year plan for agricultural development of eight southern mountainous counties and the policy on doing a still better job in support-the-poor work were discussed, and the 1990 tasks and measures for implementing work in this sphere were set.

Regional party committee Deputy Secretary Liu Guofan presided over the closing session.

Bai Lichen, regional party committee deputy secretary and concurrently regional government chairman, delivered an important speech at the meeting. He pointed out: To do a good job in the tough work of supporting the poor, it is imperative to overcome the mentality of fearing difficulties, which is typical of "flinching at tough jobs," the mentality of "doing as much work as the amount of money allotted," which is typical of relying on the above, and the mentality that "support-the-poor work has nothing to do with oneself." He said: To find a solution to the problems of enough food and clothing for the masses, and the realization of getting rid of poverty to become well off is the unshirkable duty and obligation of communists, who should persist in the work even if it can be very tough. The correct attitude is to acknowledge and analyze the difficulties, and to fight against them. Governments at all levels should to their best to continuously increase input in supporting the poor; however, we should by no means pin our hopes on the allotment of money and materials, but work hard to bring into play the internal vitality of mountainous areas. Both blind optimism and dread of working is wrong. The mentality that "support-the-poor work has nothing to do with oneself" is all the more undesirable. Ningxia Hui Autonomous Region is an entity; all localities, trades, and professions should offer their support and help if the mountainous areas should run into difficulties.

Comrade Bai Lichen stressed that it is necessary to continue to implement the party's various rural principles and policies, especially the policy of implementing the system of contracted household responsibility related to output, with household operation in the main; the policy of multichannel and multiform economic development to get rid of impoverishment to become well off; the policy of developing diversified economic factors under the prerequisite of taking public ownership as the main body; the central preferential policy for autonomous regions and impoverished minority nationality regions in economic development; and the policy of developing undertakings of science, technology, and education in minority nationality regions. In short, all the party's existing rural policies remain unchanged. It is imperative to continue to implement, adhere to, and grasp well agricultural production and support-the-poor work in one heart and soul.

Comrade Bai Lichen also stressed that to do a good job in support-the-poor work, it is imperative to grasp well

the "five combinations": First, it is necessary to consolidate the accomplishments in support-the-poor work, and the consolidation should be linked to focal efforts on tackling the impoverished zones and areas. Second, it is necessary to link the "solution to enough food and clothing" to "capital construction." Third, it is necessary to link "hard input" to "soft input." Fourth, it is necessary to link augmenting agricultural building in mountainous areas to actively developing township and town enterprises. And fifth, it is necessary to link development in supporting the poor to planned parenthood. In conclusion, Comrade Bai Lichen said that party committees and governments must regard support-the-poor work as a strategic task, and augment leadership with a strong sense of responsibility and pressure. The regional party committee and government have each determined to leave support-the-poor work in the charge of a leading member. All prefectural and county party committees and governments of mountainous areas should focus their chief energy, and place their work focus on finding a steady solution to acquiring enough food and clothing, getting rid of poverty, and becoming well off. He called on party and government organizations at all levels regionwide, all communists, cadres and masses to take rapid action, to bring forward the spirit of the foolish old man who moved the mountain, to work hard with a will and strive for the victory in support the poor. Deputy group leader Li Zhong [7812 0022] of the State Council leading group for economic development in impoverished regions delivered an important speech.

Attending the closing ceremonies of the meeting were other regional leading members, including Ma Sizhong, Li Yunhe, Liu Xueji, Cai Zhulin, Bai Zhenghua, Jiang Guandong, Ding Yimin, Lei Ming, Li Chengyu, Ren Qixin, Chen Faguang, and Wang Yu.

Qinghai Secretary Attends Rural Work Conference

*HK1202125790 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 10 Feb 90*

[Excerpts] The Qinghai Provincial Rural Work Conference, which concluded in Xining yesterday, pointed out that in 1990, Qinghai will mainly concentrate efforts on stabilizing the basic policies, deepening the rural reform, increasing the fund and material input in agriculture, and realizing a sustained and steady development of agriculture by relying on scientific and technological progress.

The conference decided that in 1990, Qinghai increase grain output by 31.5 million kilograms and oil crop output by 12 million kilograms over last year. To this end, the conference demanded that all areas in Qinghai unify their ideology and actions according to the spirit of the Fifth Plenary Session of the 13th CPC Central Committee, steadfastly adhere to the principle of improving the economic environment, rectifying the economic order, and deepening the reform, give top priority to maintaining economic stability and political

stability, attach utmost importance to agriculture, and regard agriculture as the basic link in provincial national economy. [passage omitted]

The conference also decided that Qinghai further popularize agriculture-oriented science and technology, and implement a comprehensive and socialized agriculture-oriented scientific and technological service system.

Provincial party and government leaders, including Yin Kesheng, secretary of the Qinghai Provincial CPC Committee, Tian Chengping, deputy secretary of the Qinghai Provincial CPC Committee, Bian Yaowu, vice governor of Qinghai Province, and so on, attended the conference. [passage omitted]

Qinghai Democratic Parties Discuss Document

*HK1102085690 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 9 Feb 90*

[Excerpts] The Qinghai Provincial CPC Committee yesterday morning called a discussion meeting for responsible persons of various democratic parties and the provincial Federation of Industry and Commerce and representatives of nonparty personages to study and discuss the opinions of the CPC Central Committee on persisting in and improving the CPC-led multiparty cooperation and political consultation system. [passage omitted]

Provincial party committee Secretary Yin Kesheng presided over the meeting and delivered a speech. He pointed out: The important document was worked out by the CPC Central Committee together with various democratic parties, which will guide our work for a long time to come. It reflects the consistent stand and thinking of the elder proletarian revolutionaries of our party as well as the strategic broad and long-term view of the party's leadership collective of the third generation. This also shows that the party Central Committee attaches great importance to building a political system with Chinese salient features, and expanding and strengthening the patriotic united front. The publication of the document means a great deal for further developing socialist democracy, promoting the unity of the whole people, arousing the enthusiasm of all social strata and attaining the general task of the party and state. Comrade Yin Kesheng called on party committees and united front work departments at different levels as well as various democratic parties to earnestly study and fully understand the guiding ideology and essence of the document, further unify their thinking and understanding, adopt practical measures to implement it in accordance with actual conditions in Qinghai. He also hoped that various democratic parties would give full play to their strong points, participate in the state power, exercise democratic supervision, actively offer advice to the provincial party committee and government and work together with the provincial party committee and government to make all undertakings of Qinghai a success. [passage omitted]

Qinghai Capital Sends Cadres to Grassroots Level

*HK0702144190 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 6 Feb 90*

[Text] Beginning from 15 February, party and government organs at and above county and city levels in Xining City will start sending their first batch of cadres numbered over 200 to various enterprises and rural areas in and around Xining to help strengthen and improve the work at the grassroots level and strengthen the relations between the party and the masses and between the cadres and the masses at the grassroots level.

Yesterday afternoon, Xining City held a mobilization meeting which called on all the leading cadres in Xining to take the lead in going to the grassroots level. It has been learned that the main tasks of the cadres to be sent to work at the grassroots level are as follows: 1) To modestly listen to the views and criticisms of the masses, carry out patient and meticulous ideological and political work among the masses, mobilize the enthusiasm of the broad masses of the people, popularize the CPC policies among the masses, mobilize the broad masses of the people to work hard to safeguard the fine provincial situation of stability and unity, and successfully accomplish this year's tasks; 2) To help the people at the grassroots level overcome difficulties in their production, livelihood, and study, participate in work at the grassroots level, become one with the masses, and learn from the masses.

All the cadres to be sent to work at the grassroots level will stay there for not less than three months and will then be replaced by the next batch of cadres. This process will continue for one year. All the cadres to be sent to work at the grassroots level will carry their luggage and share board and lodging with the masses at the grassroots level.

The organization and personnel departments concerned will make an objective appraisal of all the cadres being sent to work at the grassroots level and will use such appraisal as a basis for the future appointment and promotion of these cadres.

Xining City has also decided to establish a permanent system under which its party and government cadres will be sent to work at the grassroots level to carry out investigations and research at regular intervals each year in the future.

Shaanxi Governor Views Improving Work Style

*HK0602134390 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 6 Feb 90*

[Excerpts] Yesterday, the Shaanxi Provincial People's Government held a meeting to discuss the question of improving the work style of Shaanxi's leading organs and leading cadres.

The meeting adopted a resolution demanding that the CPC committees at all levels practically improve their

work style and that the leading cadres at all levels go deep into the realities of life, forge closer ties with the masses, implement to the letter all the party and government policies, and successfully accomplish this year's tasks. [passage omitted]

After repeated discussions, all the responsible comrades of the Shaanxi Provincial People's Government also approved the Shaanxi Provincial People's Government's decision on going deep into the realities of life and improving work style. The decision can be boiled down to the following points: 1) To reduce the number of meetings, increase the work efficiency, cut back the number of documents, improve the work quality, clearly define responsibilities, go deep into the realities of life to carry out investigations, promote the building of a clean government, boost people's confidence in the government, and resolve problems for the people, improve the work style, implement to the letter all the party and government policies, take account of the overall interests, strengthen solidarity, and forge ahead; 2) All the responsible leaders of the Shaanxi Provincial People's Government should go deep to the grassroots level once a year and stay there for not less than three months to carry out investigations, solicit the opinions of the people, provide guidance to the work at the grassroots level, help the grassroots units solve their problems; 3) All the departments of the Shaanxi Provincial People's Government should organize their office cadres to go to work at the grassroots level in three separate batches each year. [passage omitted]

When interviewed by the reporters, Hou Zongbin, governor of Shaanxi Province, said that after the Lunar New Year festival, a total of more than 300 cadres at provincial, prefectural, city, and township levels will go to various rural areas, factories, and schools in Shaanxi to carry out investigations there. With the exception of one, all the other nine responsible leaders of the Shaanxi Provincial People's Government, including the governor and vice governors, will also go deep to the grassroots level to carry out investigations. [passage omitted]

Shaanxi Leader Discusses Agriculture

*HK0802010190 Xian SHAANXI RIBAO in Chinese
3 Feb 90 p 1*

[Report by staff reporter Hao Li (6787 0448): "Conversation on Agriculture in the New Year—Interview with Vice Governor Wang Shuangxi"]

[Text] When bidding farewell to the unusual 1980's and greeting the noticeable 1990's, this reporter visited provincial Vice Governor Wang Shuangxi in charge of agriculture and asked him to talk about this province's strategy for developing agriculture in the new year.

Reporter: How was our province's situation in agricultural production in the past year?

Wang: In 1989, bumper harvests were reaped in large areas of this province. The total grain output reached

10.35 billion kg and marked an all-time high. The total social production in the rural areas amounted to 25.3 billion yuan or increased by 5.3 percent over in 1988. The peasants' per capita net income reached 480 yuan or increased by 76 yuan.

Reporter: What is the target for this province's agricultural production in the new year?

Wang: This year, the output of grain, cotton, oil-bearing crops, tobacco, and meat and the total output value of rural enterprises, as well as the annual agricultural output value and the per capita net income of the peasants, are required to increase by four percent to 10 percent. In order to achieve this target, we must increase agricultural input and resolutely raise the bearing capacity of the agricultural infrastructural facilities so that agricultural production can gather momentum for its sustained development.

Reporter: Then, what measures will the provincial government take for increasing the development momentum of agricultural production?

Wang: We will continue to complete the eight projects that have been started for developing agriculture. In addition, in 1990 and in the next few years, we will promote the development of the dry plain areas in Weibei and the hilly areas in Shaannan. In the Weibei dry plain areas, while spreading the advanced dry farming techniques, we will build the irrigation network to support the first phase of the Donglei Pumping Station. This year, it is also prepared to start the second phase of the pumping project in Donglei by making an investment of 300 million yuan. With the accumulation of the local collectives, the total investment is expected to reach 560 million yuan. After the project is completed, some 800,000 mu of irrigated farmland will appear in the Weibei dry plain areas, and the irrigation condition for another 400,000 mu of land will be improved. In five years' time, it is expected that the grain output in these areas will increase by 500 million kg. In the Shaannan hilly areas, the main work is to transform the low-yield fields with an investment of 140 million yuan. In the Hanzhong area, the production conditions of 250,000 mu of paddy fields will be improved, and the output on another 300,000 mu of land will be raised. Then, it is expected that the grain output there will be increased by 250 million kg in five years' time.

Reporter: What measures will the provincial government take for developing the production of other crops and farm products?

Wang: We plan to invest 630 million in the next three years up to 1992 to build 10 large production bases for producing cash crops and other farm products. They include a tobacco production base with an area of 1.1 million mu, an apple production base with an area of 1.5 million mu, a vegetable production base with an area of 400,000 mu, a high-yield chilly production base with an area of 300,000 mu, a pig farm which will raise three million pigs, a chicken farm which will raise six million

chickens, a sheep farm which will raise 2.2 million sheep of fine breed, a rabbit farm which will raise two million rabbits, and a high-yield fishery production base with an area of 60,000 mu. After the completion of these projects, they will increase the output value by 1.6 billion yuan, will make 200 million yuan of tax-profit contributions, and will earn \$30 million of foreign exchange.

Reporter: What measures will the provincial government take to ensure the fulfillment of the above-mentioned tasks?

Wang: Apart from increasing investment, we will rely on technological development. Last year, the provincial authorities sent 16,000 agrotechnicians to undertake the contracts of providing technical services for large areas of land grown with grain, cotton, and oil-bearing crops in 47 counties. The area of farmland subject to technical service contracts reached 18.6 million mu, accounting for 28 percent of the total area of cultivated land in this province. This year, the contract system will be maintained, and the area of farmland covered by technical contracts will be increased to 40 million mu. We stress that "in order to promote agricultural production, cadres must go deep into the countryside." Various provincial departments will continue to give assistance to specific counties in poor areas. Prefectural and county governments are required to send one-third of their cadres to the countryside to build sample farms. The provincial government will take the results in agricultural development as a main criterion for assess the work performances of leaders at various levels, and the concrete assessment norms will be issued to the governments at various levels. In short, I believe that with the joint efforts of the people throughout the province, agricultural production in our province will certainly make new breakthroughs and substantial progress in the 1990's.

Shaanxi Holds Chief Procurators' Meeting

HK1202152090 Xian SHAANXI RIBAO in Chinese
16 Jan 90 p 1

[Report by staff reporter Jiang Fengjun (1203 7458 0193): "Provincial Work Conference of Chief Procurators Ends in Xian"]

[Text] [No dateline as published] (SHAANXI RIBAO)—A six-day provincial work conference of chief procurators closed in Xian on the morning of 15 January. Zhang Boxing, Hou Zongbin, Li Xipu, Zhou Yaguang, Dong Jichang, Li Huanzheng, and He Xia attended the conference and awarded prizes to the Xian city procuratorate and 28 other advanced units, and to 44 advanced individuals who had made outstanding contributions to the investigations against corruption and bribery.

During the conference, the participants conscientiously studied the spirit of the Fifth Plenary Session of the 13th CPC Central Committee, the national work conference of chief procurators, and the fourth enlarged plenary

session of the seventh provincial party committee. They also took the opportunity to sum up and exchange experiences.

Provincial party committee Secretary Zhang Boxing delivered a speech at the conference, urging procuratorial organs at all levels and all procuratorial cadres to prepare themselves for long-term struggle, constantly display enthusiasm and indomitable will power in their work, resolutely fight against criminal elements, and withstand whatever pressure they face. Procuratorial organs must take the investigation of corruption and bribery cases as a key task, and devote great efforts to handling cases of law violations involving party and government cadres, especially some leading cadres, Zhang said. Every case, no matter who are involved, must be fully investigated and no appeasement is tolerated. It is necessary to trust and rely on the masses and vigorously encourage people to inform against criminal offenders, with a view to exerting pressure on criminal elements and pushing them to give themselves up and confess their crimes. At the same time, it is necessary to improve investigation efficiency, make thorough investigations, and act strictly according to the law. Zhang Boxing also stressed the party's leadership over the procuratorial work and set some specific requirements.

Governor Hou Zongbin also addressed the work conference. He pledged to assist procuratorial organs in overcoming actual difficulties and to try his best to offer them necessary working and living conditions. He urged all the procuratorial cadres in the province to continue to exert themselves and to make more contributions in safeguarding stability and unity, promoting development of clean and honest government, and striving for a sustained, steady, and harmonious economic development in the province.

Provincial party committee Deputy Secretary Dong Jichang in his speech mainly talked about the current situation, the key tasks for procuratorial organs this year, the self-development of procuratorial organs, and the strengthening of the party's leadership over procuratorial organs. He said: At present many social contradictions mingle together and the situation in social security is very serious. Under such a circumstance we must never lower our guard and treat the situation lightly; instead we must heighten our vigilance against the enemy and sharpen our sense of dictatorship. Comrade Dong Jichang said: For the time being we must concentrate our energy to deal severe blows at such criminal activities as man-slaughter, robbery, blasting, rape, and major larceny which seriously endanger public security. We must particularly take strict precautions against sabotage by hostile elements, counterrevolutionaries, and hidden troublemakers. Procuratorial organs must closely cooperate with other departments concerned, start joint operations, and do a better job in the operation against the "six vices" and other specific projects.

And they should play an active part in the comprehensive operation to straighten out social disorder. Comrade Dong Jichang also presented some important opinions on promoting development of clean and honest government regarding procuratorial organs, on improving ideological and political work, and on strengthening the party's leadership over procuratorial work. Chairman of the standing committee of the provincial people's congress Li Xipu and member of the consultative committee of the Supreme People's Procuratorate and member of the standing committee of the provincial advisory commission He Xia also addressed the work conference.

Yesterday's meeting was presided over by Chief Procurator of the provincial procuratorate Yang Lie.

Preferential Policies Offered to Xinjiang

HK1102043090 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0355 GMT 10 Feb 90

[Text] Hong Kong, 10 Feb (ZHONGGUO TONGXUN SHE)—According to news from Xinjiang, the State Council has recently decided to offer preferential treatment in nine aspects to Xinjiang to promote its business with the West, while opening up to the East and vigorously develop its trade and economic and technological cooperation with the Soviet Union, Eastern Europe, and the Middle East.

The preferential treatment in nine aspects include:

Continue to build the northern border railway and connect it with the Soviet railway. Expand Urumqi International Airport and promote Xinjiang's air service to Alma-Ata;

The preferential treatment which includes tax exemption offered to materials imported by foreign businessmen investing in Urumqi, Yili, Shihezi, and Kashi is now extended to Aksu, Korla, Changji, Turpan, and Hami;

The state will give preferential treatment in capital proportion to the export commodity bases built in Xinjiang;

The region may examine and approve the trade and economic offices and agencies set up abroad, except for those set up in Hong Kong, Macao, and countries which have no diplomatic relations with China which should be examined and approved according to relevant regulations;

Simplify local export and trade formalities;

The state will offer preferential treatment to the cotton export plan;

The posts Huoerguosi and Tuerduote at Sino-Soviet border may handle entry and exist formalities for personnel of a third country (region); and

Regulate foreign currency for Xinjiang.

Commentary Views Allowing Civil Servant Visits

HK3001065990 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0900 GMT 23 Jan 90

[Commentary by Gan Cheng (3927 2110): "They Should Have Been Allowed To Go Long Ago—Taiwan Civil Servants Can Now Visit Their Relatives on the Mainland"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong 23 Jan (ZHONGGUO TONGXUN SHE)—One year after allowing ordinary people to visit their relatives on the mainland, the Taiwan authorities finally declared some days ago that civil servants at the basic level are allowed to go to the mainland to visit their relatives and their applications will be processed as of 24 January.

But the new regulation only applies to "technicians, workers, members of cleaning teams in government organs, and workers in public institutions" belonging to the lowest level among civil servants. This excludes civil servants with "official titles," even low titles such as village or neighborhood heads. Some village and neighborhood heads in Yilan County recently planned to form a tour group to visit relatives on the mainland, but their application was rejected by the provincial government, to say nothing of higher-level officials.

The strict restrictions came in for criticism. The official CHUNG YANG JIH PAO said in an article: The Executive Yuan created a lot of fanfare about allowing civil servants to go to the mainland, but it turned out that they will only grant permission to technicians, workers, and members of cleaning teams. "It is really very difficult to understand what they are after"; "the act of allowing basic-level civil servants to visit their relatives on the mainland amounts to giving small alms"; "apart from displaying pettiness and stubborn adherence to outworn rules and ideas on the part of the Executive Yuan in carrying out their policies toward the mainland, they did not show any extraordinary wisdom or boldness"; "because these people should have been allowed to go long ago."

The Taiwan Government made it a rule that ordinary people would be allowed to visit their relatives on the mainland in November 1987. According to statistics released by the government, 400,000 people were granted permission to go to the mainland in over a year, while the figure made public by the mainland government was 600,000. The difference shows that the Taiwan authorities failed to meet the public demand when formulating their open policies. Quite a lot of Taiwan residents who were not granted exit visas went to the mainland through all sorts of channels.

Because they still consider that both sides of the Taiwan Strait are "hostile to each other" and still prohibit official contacts, the Taiwan authorities put off for over a year allowing civil servants to go to the mainland. As a matter of fact, Taiwan's Minister of Finance Kuo Wan-jung created a precedent by having contacts with mainland officials when she headed a delegation to attend the Asian Development Bank annual meeting held in Beijing in April last year. Though the Taiwan authorities explained that trips made by Taiwan Government officials to the mainland to attend meetings sponsored by international organizations differed from those made by ordinary civil servants visiting their relatives, this explanation was unacceptable to the broad masses of civil servants. The civil servants did not understand why the minister of finance was allowed to go to Beijing while they were not allowed to go to the mainland for a reunion with their relatives. They became increasingly dissatisfied with the authorities.

Not until December last year, when they realized that the civil servants might show their dissatisfaction by voting against Kuomintang candidates in the elections for three kinds of official posts, did the Kuomintang announce that they would adopt a resolution allowing civil servants to go to the mainland to visit their relatives. Now, while basic-level civil servants are allowed to go to the mainland, a much larger number of civil servants will not be able to do so until the Taiwan authorities further relax their restrictions.

Official Previews Trade Talks With U.S.*OW1002051390 Taipei CNA in English
0311 GMT 10 Feb 90*

[Text] Taipei, Feb. 10 (CNA)—The service industry, agricultural products and intellectual property rights will be taken up in the late March trade consultations with the United States, a ranking trade official said Friday.

Chang Lung-si, eng, spokesman for the cabinet task force on ROC [Republic of China]-U.S. trade, said Board of Foreign Trade Director General Sheu Ke-sheng will lead the Republic of China delegation to Washington, D.C. for the March 22-27 talks.

Chang expected that the U.S. would not further pressure the Republic of China on the new Taiwan dollar's exchange rate, which had risen to a level "satisfactory to Washington, D.C."

Still, the ROC delegates will be careful in talks with their U.S. counterparts who have a say in deciding which countries will be subject to "Super-301" retaliations to be announced in April, Chang added.

The task force met Friday to discuss strategy for the negotiations, and decided that some concessions should be made to smooth the talks.

For example, a conference source said, the Republic of China would propose amending the law to increase the number of branch offices foreign banks and insurance companies are permitted to open.

In response to U.S. business complaints that ROC regulations are too harsh by allowing them to set up branches only in Taipei and Kaohsiung, "the Finance Ministry is amending the rule," the source said.

He said ROC delegates might also reverse an earlier government decision to reject a New York Life Insurance Company application to open a branch here.

Taipei would also promise not to increase restrictions on agricultural imports, while presenting a timetable for their relaxation, according to the source.

Kenneth E. Howland, the American Institute in Taiwan official in charge of agricultural affairs, has visited ranking Council of Agriculture officials, and expressed the hope that the Republic of China would further reduce tariffs and open its markets wider to agricultural imports.

U.S. Trade Representative Ms. Carla Hills has also indicated that agriculture was a sector in which efforts should be made to improve ROC-U.S. trade ties.

Since the government had officially applied to join the General Agreement on Tariffs and Trade [GATT], the ROC delegates should commit themselves to following GATT rules on agricultural trade, he said.

But, he said, the ROC officials should ask the U.S. for assistance in its bid to become a contracting party to the world trade body.

Honduras Seeks Government Economic Aid, Support*OW0702083990 Taipei CNA in English
0300 GMT 7 Feb 90*

[Text] Tegucigalpa, Feb. 6 (CNA)—President Rafael Leonardo Callejas Romero said Tuesday Honduras is facing an extremely challenging situation and the Republic of China can help a great deal in solving the problems confronting his country.

Callejas, inaugurated on Jan. 27, told the CNA Honduras is facing a crisis which his new administration, with help and support from the Republic of China, will be able to tide over.

Honduras lacks foreign exchange to buy oil, medicine and food from abroad. Tegucigalpa's foreign debts total well over U.S. dls [dollars] 200 million. "We are facing a steep shortage of basic foods, corn in particular," Callejas said.

A potentially rich country, Honduras can overcome all its difficult problems and achieve prosperity in the long run, but it needs a shot in the arm, Callejas said.

The Republic of China, Callejas appealed, can extend "short-term bridge loans" to Honduras to help solve the problems of acute shortage in food and other necessities. "A short-term credit of dls 5 million, for instance, can help us make up for the shortage and then we can move ahead," Callejas said.

"The situation is a critical one," Callejas said, "but we will be able to cope with it and surge ahead for greater prosperity, and what we now need is a short-term help from our friends in the Republic of China."

He said the people of Honduras have yet to sense the crisis they are facing now. The financial crisis, in particular, is comparable to the one the Republic of China faced in and shortly after 1950.

"My administration knows what shall be done," Callejas said. He will let the people fully understand the crisis and cultivate a sense of crisis that is needed to rally themselves behind the government to move forward.

The people of the Republic of China have set a "good example" for other nations in crisis to follow, Callejas said. "Over the past 40 years," he pointed out, "you have demonstrated what can be done to overcome the difficulties and achieve prosperity."

Aside from the short-term credit, the Republic of China can send a high-level mission to advise Honduras on how to solve its long-term financial problem, Callejas said. "Your country has experience in this field," he added, "and we will benefit from your experience."

Another field of cooperation between the two countries is trade and investment, Callejas said. Honduras is setting up an industrial park, and investment from the Republic of China is more than welcome, he added.

The Republic of China is opening its market to foreign imports, and a small percentage of Taiwan's tobacco market, if Honduras can earn it, "will help a great deal and start a chain action of development," Callejas said. The foreign exchange generated from the sales of tobacco can be used to pay back some of Tegucigalpa's foreign debt. The repayment will earn more international credit, which in turn supports other projects of development.

The presence of a U.N. military observer group in Honduras, Callejas said, will help stabilize the situation in Central America. The mission is to help ease the tension along the borders of El Salvador and Nicaragua, which was heightened by guerrilla activities.

Callejas has visited the Republic of China twice before. He toured the Republic of China as minister of Natural Resources in 1968 and again as chairman of the national party in 1988.

Asked if he would attend the presidential inauguration in Taipei on May 20, Callejas said he would "try my best to go (to Taipei) myself." If he is unable to attend, he added, he will send his president of the National Congress, Rodolfo Irias Navas.

"If I cannot visit the Republic of China in May," Callejas said, "I will make a visit to your country before the end of this year." Most likely, he added, he will pay a state visit to the Republic of China in November.

In return, Callejas said, "We will be honored to have your president, President Li, visit us."

Relations between Honduras and the Republic of China are "extremely close ones," Callejas said. "And we in Honduras hope to further cement those extremely good relations," he pointed out.

Such good relationships should not be monopolized by the governments, Callejas said. "We need more contact among the people in all walks of life, on cultural, social and commercial levels, so that we may continue improving the extremely good relationship that has existed between our two countries," he pointed out.

'Turmoil' Interrupts New Legislators' Oaths

OW1002054890 Taipei CNA in English
0303 GMT 10 Feb 90

[Text] Taipei, Feb. 10 (CNA)—Only 92 of the 120 new supplementary Legislative Yuan members completed their oath-taking Friday amid turmoil sparked by protests from opposition Democratic Progressive Party [DPP] legislators over the legal status of the 29 supplementary legislators representing Overseas Chinese communities.

The Legislative Yuan's personnel office said it had collected 92 signed oath-taking forms, including 18 from legislators representing Overseas Chinese. None of the 21 DPP legislators took their oaths, but the Yuan was planning to swear them in on Feb. 19 along with eight independents and 11 other legislators from Overseas Chinese communities who were not present Friday.

The fracas began shortly after 9:40 a.m. when DPP legislators tried to stop the 18 legislators from Overseas Chinese communities from entering the Yuan's conference hall for the oath-taking. Exchanges of fist blows erupted as the overseas group pushed their way through.

The atmosphere in the hall immediately tensed, with the DPP legislators taking over the speaker's platform and unfolding of cloth protest slogans. They also used amplifiers to explain their stand in the conflict.

At 11 a.m. when most new additional legislators were ready to be sworn in, the DPP legislators still refused to yield. They formed human walls to prevent Grand Justice Weng Yuen-sen from taking the presiding officer's position for the swearing-in ceremony. Flanked by several women legislators who volunteered to protect Weng, the grand justice managed to force his way to a corner in the front of the hall.

Following the national anthem, sung amid shouts of protests, the swearing-in took place, with most supplementary legislators raising their right hands and reading the prepared oath.

There were differing views among the legislators as to whether the oath-taking was valid. But grand justice, though saddened at the chaotic scenes, later confirmed that according to law the oath-taking was valid for those who had raised their hands and read the oath.

"I hoped the conflict and turmoil were only phenomena of a transitional period leading to greater democracy," Weng said.

Tycoon Comments on Mainland Investment Climate

OW0402193790 Taipei International Service in English
0200 GMT 2 Feb 90

[Text] Taiwan plastics tycoon Wang Yung-ching told reporters in New York that Communist Chinese officials have offered preferential treatment, offering loans and tax exemptions, if Formosa Plastics Group decided to invest in the mainland. Wang said that he believes communist authorities have begun to repent after the Tiananmen incident and hopes that other countries will resume business ties with the mainland.

He also said that it is the best time to invest in the mainland because Peking is likely to offer better terms and conditions for overseas investment.

The local press has reported that Wang is considering building a naphtha cracker on the mainland because of Taiwan's poor investment climate and strong environmental sentiments.

An official said that the government has already a policy of improving the local investment climate and it was working on this before Wang's mainland trip was leaked to the press. The official said that authorities will investigate Wang's motive for visiting the mainland before deciding whether to punish him for making the trip.

According to ROC [Republic of China] law, residents may only go to mainland China to visit relatives, attend international meetings, or cover news. If convicted, Wang will be barred from leaving the island for one year.

While the impact of Formosa Plastics tycoon Wang Yung-ching's recent inspection tour of Mainland China is still lingering, the state-run China Petroleum Corporation [CPC] also intends to build new plants abroad to cope with the worsening investment environment in Taiwan.

A ranking CPC official said existing CPC facilities are unable to meet ever increasing domestic demand even though they are running at maximum capacity. CPC has worked out plans to build a new refinery, but these plans have all been shelved because of the rising awareness of environmental problems, labor disputes, and difficulties in buying land. Construction of the proposed fifth naphtha cracker has been suspended for more than two years because of the strong protest from local residents.

Trade Mission Chairman Comments on DPRK Visit

OW1402041990 Tokyo KYODO in English
0239 GMT 14 Feb 90

[Text] Taichung, Taiwan, Feb. 14 KYODO—The Taiwan Importers and Exporters Association is planning to send an economic mission to North Korea after April, the trade group's first such trip.

In an interview Tuesday with KYODO NEWS SERVICE, the group's chairman, Lin Tzu-ching, said the group has not yet organized an itinerary. He said the trip's aim is to open up new markets in North Korea and not to engage in political dialogue with government officials in Pyongyang, the North Korean capital.

Taiwan does not maintain diplomatic relations with North Korea, and the trip would be the first independent economic exchange between two nations with different political systems, Lin said.

He said the mission is trade-oriented and has no political or policy aims. No formal invitation was made from the North Korean Government, he said.

Lin said he plans to lead the trade mission, which will include representatives from 50 or 60 companies in various industries.

The mission is to arrive in Pyongyang after April by chartered flight from Hong Kong or via Beijing. Lin said the mission would stay in North Korea for seven to 10 days.

Commission To Expand Contacts With Mongolia

OW2601031290 Taipei CNA in English
0234 GMT 26 Jan 90

[Text] Taipei, Jan. 26 (CNA)—The Mongolian and Tibetan Affairs Commission is planning to invite Mongolian students and pro-democracy leaders in North America and Europe to visit the Republic of China [ROC] on Taiwan, a commission official said Thursday.

"Our commission will try to expand contacts with Mongolians overseas, on the condition that current national policy is not violated," Chien Shih-ying, director of the commission's Mongolian Affairs Department, said.

Chien ruled out, however, the possibility that the ROC Government would consider economic aid to the "Mongolian People's Republic," because the ROC still views Mongolia a part of its territory and the nation's international economic cooperation development fund is only available to "friendly countries."

Government To Open Budapest Trade Office

OW1302175590 Taipei CHINA POST in English
6 Feb 90 p 6

[Text] The Republic of China [ROC] is expected to open a trade office in Hungary within the next few months, its first in Eastern Europe. The next ROC trade office in Eastern Europe is likely to be set up in Czechoslovakia, according to government sources.

Wei Wu-lun, deputy director of the Ministry of Foreign Affairs' European Affairs Department, has been selected to head the ROC's trade office in Hungary, which will be set up in the Hungarian capital, Budapest. The name of the office: The Taipei Trade Representative Office will soon be submitted to the Executive Yuan, or cabinet, for approval.

Apart from Hungary, Czechoslovakia is the country most interested in developing relations with the ROC. The Czech Government, however, is waiting for a "Hungarian model" that it can emulate.

Ministry of Foreign Affairs officials have reached a consensus with Czechoslovakia that in setting up trade offices in each other's territory, they should follow the example of Hungary.

Poland and Yugoslavia will be the next countries targeted by the ROC for expanding its trade offices in Eastern Europe, government sources said.

Liu Ting-tsu, secretary general of the semi-official China External Trade Development Council (CETRA), having just returned from a trip to Hungary, said preparations

for opening a trade office in Hungary were going very smoothly and the matter would soon be settled.

Liu noted, however, that unanticipated events might affect the opening of the office, adding that nobody could say for certain when the office would open up until the last minute.

A Foreign Ministry official said mainland China's reaction to the proposed trade office could still interfere with Hungary's decision to allow the office's opening. Trade between mainland China and Hungary, which is governed by a five-year bilateral trade agreement, is larger in volume than that between Hungary and Taiwan.

The MOFA [Ministry of Foreign Affairs] has yet to decide on the name of the trade office since it is hoping to secure the highest possible official status for the office.

The ministry envisions an office with consular status that will be able to handle not only cultural, scientific and technological exchanges, but also high-level official visits. The office will be set up by this summer at the latest, the government sources said.

The ROC is also expected to open a trade office in Finland in the near term. The two countries hammered out final details on setting up the office as early as last March, but the government chose an office head only recently.

The Foreign Ministry originally intended to open an office in Finland to serve as a stepping stone to the Eastern European market, but the ministry may soon gain direct access to Eastern Europe on account of recent political and economic changes sweeping the region, according to the sources.

Soviet Trade Mission May Visit for Talks

OW0402164590 Taipei CNA in English
1548 GMT 3 Feb 90

[Text] Taipei, Feb. 3 (CNA)—A Soviet trade mission may visit the Republic of China to discuss trade cooperation with the local business community, a private businessman said Saturday.

Tsai [name indistinct] of the Eastern Cosmetics Co., who has just completed a visit to the Soviet Union, said a number of Soviet members of parliament had agreed to join the mission.

Tsai said that he had met Soviet parliamentarian Genrikh Borovik, also chairman of the Soviet Peace Committee, who promised to organize a trade mission to visit Taiwan.

Mission members will include officials of the Soviet Chamber of Commerce, he noted.

Tsai pointed out that the Soviet authorities had not formulated a definite policy toward trade with the Republic of China because Moscow "cares very much about Peking's attitude."

He quoted Eduard P. Gostev, vice president of the Bank for Foreign Economic Affairs of the USSR, as saying that Moscow "probably will agree" to direct trade with Taiwan, though the matter depended on the pace of Moscow's political and economic reforms.

The economics minister, Wang Chien-shien, said if Tsai officially requests government approval for such a mission, the government will consider approving it. The Economics Ministry has suggested the Executive Yuan to open direct trade with the USSR, a suggestion which has yet to be adopted by Premier Li Huan.

Earlier Li had said that the government would "consider" approving direct trade with the Soviet Union.

Hong Kong

Further on Basic Law Plenary Session Opening

OI1302204890 Beijing XINHUA Domestic Service
in Chinese 1158 GMT 13 Feb 90

[By reporters Li Zehong (2621 2344 4767) and Huang Riyao (7806 2480 1031)]

[Text] Beijing, 13 Feb (XINHUA)—The Ninth Plenary Session of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region opened this morning at the Great Hall of the People in Beijing. Participating in the session are 50 members of the drafting committee.

This is the committee's last plenary session before the Hong Kong Basic Law (draft) is to be discussed and approved by the National People's Congress [NPC]. The main task of this session is to deliberate and adopt the "Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (Draft)" and the flag and emblem of the Hong Kong Special Administrative Region to be submitted to the NPC for discussion and approval.

Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council and chairman of the Hong Kong Basic Law Drafting Committee, presided over today's meeting and delivered an opening speech. He said: With the concern of the people throughout the country, including the compatriots in Hong Kong, and thanks to the joint efforts made by all members of the drafting committee, the work of drafting the Basic Law of the Hong Kong Special Administrative Region has entered the final finishing stage. Throughout the process of drafting the Basic Law, the Basic Law Consultative Committee made closely coordinated efforts and gave able assistance. During the second consultative period, it not only did a lot of work to widely publicize the Basic Law (draft) and to solicit and handle various opinions, but also sent its members on several occasions to Beijing and Guangzhou to exchange views about the revision of the Basic Law (draft) with members of various special groups of the Drafting Committee who were residing on the mainland. Its work has won praise from both the drafting committee and Hong Kong society.

Ji Pengfei said: During the past four and a half years, the members of the drafting committee, in the lofty spirit of loving the motherland and Hong Kong and taking a responsible and cooperative attitude, have done arduous work to lay down in the form of law the great concept of "one country, two systems" and the series of principles and policies formulated by the central authorities about Hong Kong for the purpose of preserving and developing Hong Kong's long-term stability and prosperity.

At today's meeting, An Zijie [Tse-kai Ann] vice chairman of the Basic Law Drafting Committee and chairman of the Basic Law Consultative Committee,

delivered a summary report on the second round of consultative work. Responsible persons of the special groups of the drafting committee delivered reports to the committee members on the revision of some articles of the law and the annexes to the law. Qian Weichang, responsible person of the Appraisal Committee for Designs of the Flag and Emblem of the Hong Kong Special Administrative Region, reported on the revision of the flag and emblem designs. Li Hou, secretary general of the Basic Law Drafting Committee, reported on the work carried out at the enlarged chairmanship meeting to revise some wordings in the Basic Law (draft). He also explained the agenda for the current session (draft for discussion) and the procedures for proposing revisions of the draft law and for taking votes on such proposals (draft for discussion).

After the NPC Standing Committee had promulgated the Basic Law (draft) in February last year, there was a seven-month period for soliciting opinions. During this period, the drafting committee was entrusted by the NPC Standing Committee to canvass opinions on an extensive scale from people of all walks of life in Hong Kong, all departments at the central level, all political parties, and all organizations of the people. It also put together the opinions acquired by the standing committees of the people's congresses of various provinces, autonomous regions, and municipalities. Some members of the drafting committee residing on the mainland were invited to Hong Kong by the Basic Law Consultative Committee to join the Hong Kong members in hearing the opinions offered by people of various communities and social organizations in Hong Kong. Up to the present, the Secretariat of the Basic Law Drafting Committee has received 27 revision proposals from the committee's special groups.

The session will end on 17 February.

Democratic Alliance Donates Funds to U.S. Group

HK1302020090 Hong Kong SOUTH CHINA
MORNING POST in English 13 Feb 90 p 2

[By Shirley Yam]

[Text] The Hong Kong Alliance in Support of the Patriotic Democratic Movement in China is giving \$140,000 to a pro-democracy coalition of Hong Kong Chinese in the United States for its inauguration later this month.

And a further \$700,000 had been set aside to finance memorial functions for the June 4 massacre by various overseas pro-democracy groups.

But Alliance spokesman, Mr Cheung Man-kwong, yesterday denied they were leading an overseas movement for democracy in China by financing these groups.

"We're supporting these Chinese groups because we want to maintain a world-wide force for democracy in China even when the Alliance no longer exists.

"The Alliance never interferes with their policies. We fund only their initial setting up. After that, they have to find their own resources for their survival," Mr Cheung said.

The latest donation is for the Congress of Hong Kong Chinese in the U.S. The congress has been organized by more than 40 Hong Kong students and professionals to press for democracy and human rights in Hong Kong and China.

Alliance leader and legislator Mr Szeto Wah will be among more than 200 people expected to attend the inauguration in Chicago on February 23.

Mr Cheung said the current donations to overseas groups are being financed by the interest from the Alliance's reserves, which total over \$20 million.

New Everbright Chairman Arrives From Beijing

HK0802022390 Hong Kong HONGKONG STANDARD in English 8 Feb 90 p 1

[By Lo Dic]

[Text] Qiu Qing, the newly appointed chairman and president of China Everbright Holdings Co Ltd arrived in Hong Kong yesterday.

Madame Qiu, former vice governor of the People's Bank of China, said Beijing would not push for any policy changes or re-alignment regarding China Everbright's personnel.

Should any changes be forthcoming, they would actually be part of the company's normal operations, she said.

Madame Qiu stressed that the incidents of June 4 in Beijing had made no impact on the company at all.

China Everbright, one of the largest PRC-controlled companies in the territory, has long been the object of unfavourable speculation.

Rumours were mainly centred around its former head, Wang Guangying, who had been known to have had close links with disgraced former Chinese Communist Party chief Zhao Ziyang.

The establishment of the company had been directly approved by Mr Zhao in 1983.

Madame Qiu's appointment is obviously the first overt move Beijing has made with regard to the company.

But she declined to say anything concrete about the firm's present business nor plans for its future development.

Madame Qiu said she did not as yet have a comprehensive grasp of the situation.

She said she would like to learn more before deciding on any new business plans.

Asked about the situation regarding China's borrowings from the World Bank and the Asian Development Bank since June last year, Madame Qiu refused to answer on grounds that she was at present not in an official capacity to do so.

Earlier, she held the positions of vice head of China's central bank as well as representative of the ADB [Asian Development Bank] executive committee.

"I have already resigned from these official posts and am now only a person in the business circle, and an ordinary citizen as well," she quipped.

"And I will not be the representative of China in the ADB executive committee from the next session," she added.

Madame Qiu had been working with the People's Bank of China for more than 40 years and was in charge of dealing with foreign-related financial affairs.

Her appointment to replace Mr Wang as head of China Everbright, had reportedly been decided directly by the Politburo of the Communist Party in early January.

Denies 'Special Assignments'

HK0902025190 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 9 Feb 90 p 1

[Text] The new chairman and general manager of Everbright (Holdings), Ms Qiu Qing, yesterday denied that her appointment had anything to do with Beijing's desire to encourage more Taiwanese investment on the mainland.

"I am appointed to be the chairman and general manager of Everbright in Hong Kong and I don't carry any special assignments," she said at the first public function hosted by her as the company's new chairman.

"But from a business angle, I would of course like to see more economic exchanges between the two sides of the Taiwan Strait," she added.

She also said that she had no intention of making drastic changes to the company in the immediate future.

Ms Qiu, who arrived on Wednesday to take over as chairman from Mr Wang Guangying, said she would first have to study the company's operations before making any further comments.

However, it is understood that Ms Qiu was well briefed by company executives during a secret visit to Hong Kong last week and it is widely expected that her appointment will mean significant changes in the company's structure.

Ms Qiu, who was previously the vice-governor of the People's Bank of China, has strong support among senior government officials in Beijing.

But despite her strong background in the banking field, her appointment to Everbright is her first commercial venture.

Meanwhile, the Matsukyu Group of Japan has announced it is to establish a joint venture import-export company with Everbright Holdings in Shenzhen.

The group's president Mr Kazuo Kamiya said yesterday that preparations for the main warehouse in Shenzhen City were already underway and the project should be completed by the end of this year or the beginning of 1991.

Total investment in the project has yet to be determined, but Mr Kamiya said he expected an equal equity investment from both Everbright and Matsukyu.

The enterprise is believed to be the first Sino-Japanese joint venture company to be established in the special economic zone since June.

Mr Kamiya said there were still relatively few Japanese companies in Shenzhen but there was a gradual resurgence of interest in the zone, particularly from Japanese investors looking to establish joint ventures with Hong Kong-listed companies.

Matsukyu will continue to co-operate with Hong Kong-based companies in setting up joint venture companies both in China and Southeast Asia, Mr Kamiya said.

The financing of the Shenzhen project has not yet been finalised as Japanese banks are still waiting for their government's approval before putting the finishing touches to their deals.

Territory Banks Underwrite CITIC Loan

HK1402020990 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
14 Feb 90 p 1

[By Eva To]

[Text] Hong Kong and Shanghai Bank and Hang Seng Bank have agreed to join as underwriters in the \$7 billion financial package for China International Trust and Investment Corp (CITIC).

The borrowing programme is part of an \$8 billion package to finance CITIC's purchase of a 20 percent stake in Hong Kong Telecommunications.

The participation of the two banks means the financing package is "substantially" oversubscribed.

The two banking giants agreed to join in more than a week after the syndication was originally supposed to have closed.

And they agreed to join on the same day as another unit of the Hong Kong Bank group—Wardley—was made a co-arranger of the loan.

But there does not seem to be much of a meaningful role left for Wardley, as the borrowing programme has already met its funding target based on a structure pulled together by loan arranger Barclays Bank.

Wardley's participation is, therefore, widely seen as a pre-condition for the participation of the two banks as underwriters, a point on which Barclays' merchant banking chief executive, Mr John Sunderland, refused to comment.

But he emphasised that Barclays "welcomed" Wardley's participation.

It is widely believed that Hong Kong Bank units joined the syndication to forestall any accusations of a lack of confidence in Hong Kong, similar to those that followed its earlier decision not to participate in a major deal by a prime mainland borrower.

The loan is backed by 20 percent of Hong Kong Telecom, the territory's telecommunications giant and the bluest of the blue-chips in the Hong Kong market.

But many Hong Kong-based bankers believe the Hong Kong Bank units originally decided not to join the syndication after Wardley failed to win the mandate as loan arranger.

Given that the loan is the first substantial one raised since the political turmoil in China last June, bankers generally view the CITIC deal as a barometer of the international financial community's confidence in the China loan market.

Participation of the two banking giants have pushed the number of committed underwriters to 15, including two Japanese banks.

But the mainland borrower plans to keep the syndication open for a day or two to ensure that it would be seen an undoubted success.

The Bank of China and a few major Japanese banks, which have not yet given a firm answer, may still join.

Though CITIC had considered the possibility of adding a new feature to the complicated three-tier loan package last week, this was not likely to be adopted, Mr Sunderland said yesterday.

The syndication relates only to two tranches of the three-tier package which aims to raise a total of \$8 billion. The remaining \$1 billion will be raised in covered warrants.

The two syndicated tranches include a 10-year project finance tranche for \$5.4 billion which could be terminated in 1997 and a five-year zero-coupon facility.

Although the plan was to get a minimum subscription of \$500 million from each underwriters, their subscription would have to be scaled down in view of the oversubscription, according to Mr Sunderland.

Mainland Unrest Affects Exhibition Industry

HK0802020490 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English 8 Feb
90 p 3

[By Geoff Crothall]

[Text] An industrial exhibition due to be held in Hong Kong in May has been cancelled due to "last year's civil and military unrest in China," the exhibition's organisers have claimed.

"With Hong Kong and China being so much in the news recently, many European and especially American exhibitors have decided to cancel because of fears for their personal safety," Mr John Clarke, managing director of FMJ International Publications, the British organiser of Foundry Asia 90, said yesterday.

"We were trying to sell space at the show between March and November last year when there was considerable uncertainty over the situation in China and the future of Hong Kong," he explained.

Mr Clarke admitted the fears expressed were probably unfounded but emphasised that American businessmen were particularly sensitive to civil unrest in foreign countries.

"We organised an exhibition in Northern Ireland last year but within a week of an IRA explosion there, 60 to 70 per cent of the American delegates cancelled," he said.

However, no other trade fairs in Hong Kong have been cancelled because of the unrest in China, although there was a slight fall in the number of American and European delegates in the second half of 1989.

Many trade fairs this year have reported record bookings and exhibition organisers in the territory generally agree the unrest in China has had none or very little influence on the industry.

"This year's Hong Kong Leather Show (due to be held in April) is completely sold out, with every inch of space at the Exhibition and Convention Centre booked up," said Mr Derek Dickens, managing director of the Hong Kong Trade Fair Group.

"This year there are about 130 American companies represented, about 30 per cent more than last year, and although we were taking bookings throughout June we only had one cancellation," Mr Dickens said.

"Likewise the cosmetics and beauty show in June is nearly sold out," he added.

Mr Clarke eventually admitted that it may be the product rather than the situation in Hong Kong that is to blame for the show's cancellation.

The exhibition was designed as a shop window for foreign suppliers' casting and forging equipment for the foundry industry in Asia, which even at the best of times is a rather limited market.

Mr Clarke said that another exhibition organised by FMJ, for fire fighting and prevention equipment and due to be held in Hong Kong in November, was already 80 per cent sold out.

As one industry source said, on learning of the cancellation of Foundry Asia 90: "It sounds like a good excuse for a bad show."

Government Considers Halting Quick-Screening Plan

HK1002022590 Hong Kong SOUTH CHINA
MORNING POST in English 10 Feb 90 p 3

[By Fiona Macmahon]

[Text] The Government is considering shelving plans to screen new arrivals swiftly so they can be returned to Vietnam within months of arriving in Hong Kong.

The move was announced yesterday by the chairman of the Refugee Status Review Board, Mr Francis Blackwell, following a meeting with the United Nations High Commissioner for Refugees (UNHCR) on the screening policy.

"In view of the present situation, the plans will probably have to be set aside for the time being because there are certain matters that have to be agreed with Vietnam before there can be anything of that nature," Mr Blackwell said.

The Government started screening new arrivals at the Green Island reception centre early last month, with the view to returning the boat people within six weeks, to reinforce the message that Hong Kong is no longer a staging post for resettlement in the West.

Since the process started, at least 100 Vietnamese boat people have been screened, with 56 cases pending appeal.

However, the Vietnamese have made no firm commitment on forced repatriation and also have claimed they do not have enough reception facilities in Hanoi.

Mr Blackwell described the meeting with the UNHCR as cordial, adding that the Government would be making a written reply to the questions raised by the refugee body.

He said he was satisfied that the screening process run by the Government, to determine whether the Vietnamese who arrive are genuine refugees or not, was impartial and fair.

"Of course they have got grounds for criticism, everything can be criticised. It's whether that criticism is with good foundation or ill-founded," Mr Blackwell said.

The UNHCR's Chief of Mission, Mr Robert Van Leeuwen, described the meeting as useful.

He admitted that a lot of the problems arose from lack of resources on both sides, but said some technical questions had been resolved.

The UNHCR is known to be concerned about the first stage of the screening process which is carried out by Immigration Department officials.

It has been claimed that many immigration officers have little knowledge of the situation in Vietnam and that the interpreters are not au fait with common expressions from the north because many left Vietnam so many years ago.

The UNHCR has also requested that the Refugee Status Review Board give written reasons for their decisions

when hearing the appeals of the boat people and allow them to present their case in person if they wish.

Mr Van Leeuwen said the issue was still being discussed with the Government.

Meanwhile Mr Van Leeuwen has welcomed steps by Vietnamese boat people to report gang-leaders who have been intimidating people in the detention centres.

On Thursday night about 30 boat people from the Sek Kong detention centre handed over seven of their compatriots to the police, describing them as troublemakers. They also handed over about 20 weapons.

Fights in the centre have led to a number of fatalities and regular searches of the detention centres have uncovered massive hauls of home-made weapons.

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